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NEWS SUMMARY

GENERAL

Iran dodges U.S. ban on parts

Iran is buying spare parts for its oil industry worth £63.3m a year through a *London-based purchasing organisation*, despite U.S. economic sanctions intended to force the release of the Tehran hostages.

Iranian Oil Services (IROS) is still legally owned by the consortium of western oil companies, including 11 in the U.S. which produced most of Iran's oil before the revolution. British Petroleum has 40 per cent of IROS. **Back page, Trials promise, Page 3**

Miami violence

Three police were wounded by gunfire in a fresh surge of racial violence in a predominantly black area of Miami. **Page 4**

Murder charge

Ronald Knight, husband of actress Barbara Windsor, was committed for trial with Nicholas Gerard at the Old Bailey charged with the murder of Alfredo Zomperelli.

Churchill suicide

Stepmother of MP Winston Churchill committed suicide because she had cancer, an inquest decided. June Spencer Churchill, 57, was a member of the Euthanasia Society.

Afghan talks

Islamic committee contacted the Marxist Government in Kabul to see if there was a basis for negotiating a solution to the Afghan crisis. **Page 4**

Games boycott

Ireland is joining the EEC boycott of the Moscow Olympics, the Dublin Government said. **Top Olympics job, Page 2**

Carnival illness

Parents and organisers of the Notts carnival at which almost 300 children collapsed rejected the "mass hysteria" theory as *three more people fell sick.*

Proms rehearsal

BBC Symphony Orchestra held its first practice for tomorrow's first night of the alternative Proms at Wembley Conference Centre.

Nurse death

Deputy Leeds Coroner said he could not yet justify holding an inquest into the death of British nurse Helen Smith in Saudi Arabia last year.

Lebanon assembly

Lebanon's right-wing Phalange Party announced *plans for* a legislative assembly and a new administration. **Cabinet resignation, Page 3**

Drink problems

Merseyside has the highest level of alcoholism in England and Wales, followed by Greater London, says a survey. **Page 7**

Dew reward

Cricketers at Great Chesterford, Essex, beat the bad weather by starting a match at 4.30 am and finishing at 7 am. **Forecast, Back page**

Flies by night

Police were treating as industrial sabotage night raids on two maggot farms in the North in which millions of maggots and bluebottles were killed.

Briefly . . .

Sixteen people were killed in a train crash in central Spain.

U.S. destroyer picked up 44 Vietnamese refugees from the South China Sea.

Final section of the Humber Bridge will be lifted into position today.

BUSINESS

Gold up $5; Sterling weaker

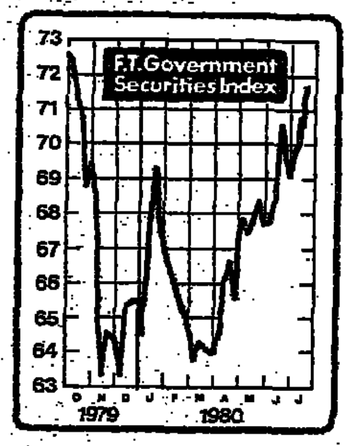
● **GOLD** rose $5 an oz in *London, closing at $625.5.* **Page 33**

● **STERLING** was slightly *weaker overall, but finished just five points off at $2.3725.* **Its index fell to 74.5 (74.6). Page 33**

● **DOLLAR** lost ground in featureless trading, closing at DM 1.7435 (DM 1.7475). *Its* trade-weighted Index *fell* to 83.0 (83.2). **Page 33**

● **Equities broke through the psychologically important 500 mark,** *to* **close 3.3 up at 503.1. Page 36**

● **Gilts continued to lead the rise and the FT Government Securities index gained 0.64 to 71.71. Page 36**



● **WALL STREET was up 4.09 to 905.63 near the close. Page 34**

● **FISONS** and Boots plan to merge *their agrochemical* businesses into a joint venture expected to have annual sales of at least £125m. **Back Page**

● **IN** a six-minute dawn raid, 8.85 per cent of Pritchard Services Group was bought for £1.4m. **Page 28**

● **CHINA** is to form a joint *venture with American International* Group, its first major move into the overseas insurance business. **Page 6**

● ***ALFA Romeo's controversial*** joint venture near Naples with Nissan of Japan is expected to get Italian Government approval this month. **Page 6**

● **NELSON** Bunker Hunt lost his appeal against a High Court order to pay £17m to BP Exploration (Libya). **Page 7**

LABOUR

● **PERKINS** Engines plans to cut its 6,500-strong Peterborough workforce by 10 per cent to increase competitiveness. **Page 8**

● **NORWAY** is to refer the 14-*day strike by North Sea oil* workers to arbitration, so *making the dispute illegal.* **Page 3**

COMPANIES

● **BIRMID** Qualcast, founders and engineers, reported interim pre-tax profits up from £1.94m to £4.76m but warns of a substantial drop in second half results. **Pages 7, 27 and Back Page**

● **ASSOCIATED** Newspapers Group raised first-half taxable profits to £12.31m (£10.74m) on turnover up from £93.21m to £119.36m. **Page 26**

● **MARSH** and McLennan Companies, the U.S. insurance broker *which* recently acquired Britain's C. T. Bowring, increased net profits from $21.4m to $23.4m (£9.86m) in the *second quarter* to June 30. **Lex, Back Page**

● ***GESTETNER Holdings, the*** international reprographic equipment and supplies group, reported pre-tax profit down 13 per cent to £9.89m (£11.4m) in the half year to May 3. **Page 26; Lex, Back Page**

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treas. 12pc 1984	£99¼	+ 1⅛
Treas. 13¼pc 04-08	£106¼	+ 1⅞
Barclays Bank	420	+ 22
County and District	210	+ 55
Diploma	530	+ 45
Dowty	252	+ 16
Equity and Law	278	+ 14
Fisons	257	+ 10
Forward Technology	122	+ 10
Hawker Siddeley	344	+ 10
Hillards	146	+ 8
Kent (M. P.)	68	+ 6
Land Secs.	363	+ 8
Lloyds and Scottish	172	+ 6
Mercury Secs.	220	+ 17
Midland Bank	378	+ 26
Murray Minor Inv.	99	+ 16
North British Props.	141	+ 9
Pritchard Services	69½	+ 5½
RMC	189	+ 7
Simon Eng.	268	+ 8
Sothebys	460	+ 17
Sunlight Services	63	+ 5
Tarmac	258	+ 9
Union Discount	470	+ 15
Westland	111	+ 7
Cons. Gold Fields	533	+ 8
Esperance Minerals	290	+ 40
Gld. Mn. Kalgoorlie	424	+ 15
Greenvale	240	+ 40
Libanon	£10¼	+ ½
North Kalgurli	89	+ 10
Otter Expln.	86	+ 8
Poseidon	208	+ 12
Samantha Expln.	85	+ 7
South Crofty	34	+ 9
Ventersposi	675	+ 42
FALLS		
Hambro Life	255	− 7
Hunting Asscd.	345	− 28
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Earnings growth is checked by impact of recession

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE RATE of growth of average earnings has stopped accelerating, *so far mainly because of the* impact of the recession on overtime and short-time working.

Department of Employment figures published yesterday suggest the underlying annual rate of increase was about 21 per cent in May, the same as the revised estimate for the previous month, and compared with less than 15 *per cent* a year ago.

Whitehall officials were characteristically cautious about saying it had peaked. But both the figures and reports from industry indicate the trend may be beginning to change.

The recesion's influence is shown by the fact that overtime fell 100,000 hours in May to 12.25m, 3m hours less than a year earlier and the lowest since the end of 1974.

Cuts in production pushed up *short-time working to 2.3m* hours a week in May, 1.9m hours more than a year earlier.

These two factors reduced the 12-month rate of increase in *April and May by 1½ percentage* points, and offset some of the effect of inclusion of pay settlements agreed at a higher level than a year ago.

There have been *several* reports in the last fortnight of a significant reduction in the level of pay rises in recent deals. Increases of about 8 per cent have been quoted by the Confederation of British *Industry's Midlands region.*

The evidence so far is far from conclusive, and relates mainly to pay deals in the more *vulnerable parts of manufactur*ing which have faced the full force of the downturn of activity of the past three months.

There are not yet clear-cut indications of a significant slowing in pay rises in either the public sector or in private-sector services.

Even if there is a change of trend it is unlikely to show clearly in the 12-month rate until toward the end of the year because few large settlements are agreed until mid-autumn.

The detailed figures show that the index of earnings for 21m employees in the whole economy rose by 21.1 per cent to 176.8 (January 1976=100) in the year *to May, compared* with a 21.3 per cent increase in the previous month.

There appear to have been wide differences in earnings *growth in the economy,* partly because of the impact of the Clegg pay comparability awards in the public sector.

Average earnings in manufacturing rose by 17.3 per cent in the year to May, roughly 3¾ percentage points less than the increase for the whole economy.

The older earnings index, covering 11m workers, mainly in production industries, rose by *18.4 per cent to 441.4* (January 1970 = 100, and seasonally adjusted) in the year to May. This compares with a 19.7 per cent rise in the previous month.

Basic weekly wage rates of manual workers rose by 19.4 per cent in the year to June to 353.8 (July 1972 = 100), against *19.1 per cent previously.*

Sir Geoffrey Howe, the Chancellor, appealed last night to workers over the heads of union leaders to accept "realistic" pay settlements in the next round to preserve jobs. To retain as many jobs as possible in the coming year most people must accept rises "well below the level of inflation."

Sir Raymond Pennock, president of the CBI, described the earnings figures as "just too horrible to contemplate. When the history of 1980 comes to be written there is no doubt that last year's pay settlements will be written down as an unmitigated disaster for the economy of this country."

He too urged single-figure settlements, "and I do not mean 9 per cent."

Shorter UK recession predicted, Page 8

Chancellor appeals to workers, Page 9

Defence spending plans to be cut by £100m

BY PETER RIDDELL

THE MINISTRY of Defence is to cut more than £100m from its planned spending on equipment and construction in the *current financial year and may* have to cut even more. This is intended to offset over-spending on other parts of the defence budget and to keep within the department's overall cash limits.

This precautionary action highlights the problem of defence over-spending which has arisen in recent months and which has led to considerable tensions between the department and the Treasury. It is an argument entirely separate *from the longer-term question* of how to finance the Trident missile system.

Existence of a problem over defence spending—although not the specific action taken—was confirmed yesterday by Sir Anthony Rawlinson, the Treasury Second Permanent Secretary responsible for public expenditure.

Sir Anthony told the Public Accounts Committee of the Commons that the defence problem was "bigger than for other spending departments."

Asked *specifically* about reports of over-spending in last week's Financial Times, he did "not deny that defence expenditure is one element of the rather high level of central Government borrowing in the first three months of the financial year." It "requires attention and is getting attention," he said. The two departments had "frequent contacts" with each other.

The immediate decision concern the threatened overspending in 1980-81 and the issue of whether any adjustment should be made to this year's spending to allow for over-spending in 1979-80.

The Ministry of Defence is keen to show that it is trying to keep within the planned spending totals and this accounts for the cuts so far on a wide range of projects including delays both on new building and on the taking-up of equipment contracts.

The difficulties have arisen partly because of the recession. This has meant that, in view of some slack on private business, defence contractors have completed their work more quickly than expected and put in their bills more rapidly. In addition, the rate of increase in the cost of defence equipment has not only been higher than allowed

Continued on Back Page

Post Office monopoly relaxed

BY JASON CRISP

THE POST OFFICE monopoly over mail distribution is to be relaxed, it was announced yesterday.

The monopoly will be abolished on only a small part of the Post Office's mail business, but the Government will *be given powers to remove it* completely in the event of a strike or a deterioration of service.

The announcement, made by *Sir Keith Joseph, Secretary of* State for Industry, in the Commons yesterday, met with hostile reaction from Labour MPs and the Post Office trade unions. It was *broadly* welcomed by the Mail Users' Association and the Post Office Users' National Council.

The monopoly is to be relaxed in several ways:

● Private operators will be free to carry "time-sensitive or valuable" mail providing they charge a minimum fee, initially to be £1.

● Charitable organisations will be allowed to deliver Christmas cards: although the legislation will not be passed in time for this year.

● Document exchanges will be able to transport mail in bulk between centres.

While the Post Office retains the general letter monopoly, the Government proposes to give the Secretary of State for Industry powers to lift it if the level of service falls below a certain level. Sir Keith said that he was considering setting a standard for the Post Office *higher than its internal target* of 90 per cent of first-class mail delivered a day after posting.

If mail delivered fell below *targets set by the Government* it would be given six months to improve the service before losing the monopoly on mail either in a particular area, such as a major city or county, or nationwide. Private companies would then be able to compete for a minimum period of five years.

Mr. John Silkin, Opposition spokesman on industry, described Sir Keith's proposals as a "pretty good pirate's charter."

Sir Keith Joseph said that only 1-2 per cent of postal business would be affected by the proposed relaxation of the monopoly.

Although the Union of Communication Workers said it had "grave doubts" about the Government's plan, Mr. Tom Jackson, the general secretary, said: "The Post Office, with its national network intact and with the rural services protectd, should be able to destroy both on a price and on a service basis, such firms as may be set up to deal with the areas where the monopoly is to be relaxed."

Commons reaction, Page 9

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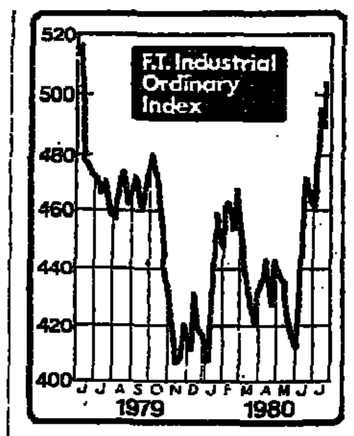


Hopes of MLR cut lift gilts

BY DAVID MARSH

GROWING HOPES of a **further cut in Minimum Lending Rate spurred strong buying yesterday on the gilt-edged market which spilled *over into equities.***

Heavy demand for Government stock from institutional and overseas buyers led to the exhaustion of the £800m medium-term tap stock issued a week ago. The FT 30-share index crossed the 500 mark for the first time since June last year and has risen more than 20 per cent in the past seven weeks. The FT Actuaries all-share index rose to its highest ever.

Confidence on the financial **markets has risen considerably in the past month following two sets of better trade figures and signs that money supply is coming under control.**

There was speculation in the City last night that a cut in MLR might be made today.

Although the timing is unclear, there are indications from Westminster and Whitehall that the Government *would like to announce* at least one more cut before the summer recess.

Exhaustion of the medium-term tap—12 per cent Treasury 1987—took the gross nominal amount of stock issued and sold by the Government since Easter to £6bn.

On the equity market, the 30-share index rose 3.3 points to 503.1, although it finished below its highest after profit-taking.

The index has risen 22 per cent since the start of June, underlining the change in market sentiment.

Currencies, Page 33

Stock market, Page 36

£ in New York

—	July 15	Previous
Spot	$2.3695-3705	$2.3760-3770
1 month	1.49-1.44 dis	1.56-1.51 dis
3 months	3.47-3.42 dis	3.60-3.55 dis
12 months	7.20-7.05 dis	7.55-7.35 dis

Observer puts out notice of closure

BY JOHN LLOYD

*THE OBSERVER, Britain's old*est Sunday newspaper, will close in October unless a solution is found to a wages dispute with the National Graphical Association, the print craftsmen's union.

The management yesterday sent the formal statutory 90-day notice of closure to the general secretaries of the five print unions. The notice will be sent to the paper's 1,800 staff after the required seven-day delay.

The NGA's decision to reject the management's offer, taken at a national council meeting on Tuesday, was subjected to a blistering attack by the largest *print union, the Society of* Ghaphical and Allied Trades.

After its executive council met yesterday, SOGAT accused the NGA of responsibility for the loss of "thousands of jobs" in newspapers and elsewhere in the printing industry.

"SOGAT is not prepared to sit idly by and permit the NGA to act as the kamikaze pilot in this industry. The NGA in recent time shas paid no regard at all to what has been the long-*held traditional understanding* ofunity between unions.

"They (the NGA) seek to further their own cause without any regard at all to the interests of other people."

Mr Bill Keys, general secretary of SOGAT and chairman of the TUC's printing industries committee, is to ask Mr Len Murray, TUC general secretary, to intervene in the dispute.

The Observer said its offer to the NGA had reached "the absolute limits of what it could afford," and that the NGA's rejection was made in full knowledge of that.

The NGA has been in touch with the Advisory, Conciliation and Arbitration Service, though ACAS has not formally been asked to intervene. However, Mr. Les Dixon, the union's president, said last night that "we are certainly prepared to put the whole issue to arbitration."

The Observer's offer, which has not changed in the past two months of negotiations, is to the 50 machine managers in hte machine room, organised by the NGA. It has already reached an agreement in principle with the NGA compositors, who also number about 50.

The National Union of Journalist chapel (office branch) at the Observer called for the dispute to be referred to ACAS.

The Observer, founded in 1791, was taken over by the U.S. oil company Atlantic Rich*field in November 1976. It has* since invested around £10m in the newspaper, which has increased circulation over the past year by nearly 400,000, to around 1m. However, it continues to make losses.

Brinkmanship at the Observer, Page 8

U.S. industrial output falls 2.4% in June

BY DAVID BUCHAN IN WASHINGTON

INDUSTRIAL production in the U.S. fell 2.4 per cent in June to a level 7.5 per cent lower than at the start of 1980, the Federal Reserve Board reported yesterday.

The decline, the fifth successive monthly fall in industrial production, is the worst since January 1975, when the U.S. was in a sharp recession.

Last month's output, which fully confirms that the country is in the grip of another recession, would have been even lower but for the hints of a recovery in *the hard-hit car in*dustry. Car assemblies rose 7 per cent from a very low May trough to an annual rate of 5.9 units.

Slightly better news from Detroit has been reported for this month. Car sales by the three biggest manufacturers improved in the first 10 days of July over the performance of the past two months, though they were still 19.7 per cent lower than in the same period of 1979.

The Federal Reserve's Industrial Production Index fell to 141.2 from the January level of 152.6. Next Monday, the White House is due to issue its mid-year forecast, which is expected to predict a real decline in gross national product (which includes services) of 3 per cent to 3.5 per cent this year.

Continued on Back Page

Dutch bow to realism in human rights policy

BY CHARLES BATCHELOR IN AMSTERDAM

THE DUTCH Parliament recently all but brought the Government down over the symbolic issue of the Netherland's oil sales to South Africa. The refusal of the Centre-Right Government of Mr. Dries van Agt to order an oil embargo reflects a line only marginally more pragmatic than the usual Dutch idealism over human rights.

Mr. Chris van der Klaauw, the Foreign Minister, is now trying to gain support for an oil boycott of South Africa from the Scandinavian countries and from the Netherlands' Benelux partners.

The Dutch produce only insignificant quantities of oil themselves but they export large volumes of oil products. One of the largest refinery complexes in Europe is situated on the Mars Estuary near Rotterdam. The boycott lobby wants to halt the delivery of the small amounts which go to South Africa.

Royal Dutch Petroleum, the Dutch partner in the Shell group, reckons to export most of the oil products which go to South Africa. But the company's decentralised structure would make it difficult for the Government to put pressure on it to stop deliveries.

Soon after assuming power in January 1979, the present Government promised to continue the foreign policies of its Labour predecessor, attend to the development of the Third World and support the United Nations and respect for human rights.

Mr. van der Klaauw has since revealed a shift in the Government's priorities. The Dutch had previously applied private diplomacy and occasionally more public forms of pressure to further what they believe to be internationally acceptable standards of behaviour. The emphasis is now on making sure that agreements which have been reached, bilaterally and through such organisations as the UN, are kept to. The Netherlands has put its weight behind human rights treaties drawn up by the UN and the EEC and is strongly in favour of a UN high commissioner for human rights.

An opinion poll carried out in 1977 showed that 78 per cent of those questioned supported the development aid effort, that 55 per cent were in favour of Dutch involvement in human rights in countries such as the Soviet Union, and that 47 per cent thought the Netherlands was right to question South Africa's Apartheid policies. Many pressure groups are active and the human rights cause has the support of churches and trade unions.

But dependent as they are on foreign trade, the Dutch have had to tinge their idealism with realism. Economic sanctions are considered at as last resort.

But the previous Labour-led government, which took a very tough line on human rights, banned the sale of civil aircraft to South Africa on the grounds they could be put to military use. The delivery of nuclear-reactor vessels to South Africa was also banned, partly for fear of the proliferation of nuclear technology.

Dutch governments have long held that economic sanctions only make sense if they are effective.

Defending their refusal to impose an oil embargo in the recent parliamentary debate, Government ministers argued it would not be effective since only 0.1 per cent of Dutch oil products go to South Africa. They also argued that a boycott would do more harm to South Africa's black neighbours.

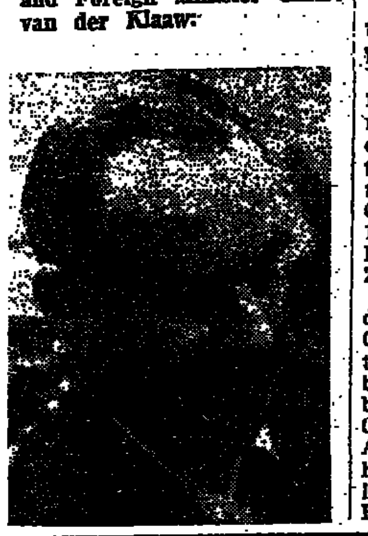
The present Government remains opposed to measures, in the words of Mr. van der Klaauw, "intended in the first instance to satisfy the emotions." It feels international support is essential for any action by the Dutch, who have only limited political and economic influence.

Right-wing regimes, such as South Africa, Chile and others in South America, have been the main target for Dutch actions but there is also active support for the dissidents in Eastern Europe.

The present government has been less willing to ban individual trade deals and recently refused to halt the much-criticised delivery of a corvette to Indonesia. But it is prepared to pay a price for its convictions in the form of substantial development aid. The Netherlands was joint second with Norway in an OECD table of official aid donors, exceeded only by Sweden. Dutch aid amounted to $1.4bn in 1979, or 0.93 per cent of Gross National Product.

The Dutch are wary of turning development aid into an instrument of approval or disapproval of foreign governments. The main criteria are the country's poverty level and the willingness of the recipient government to pass on aid to its poorest citizens. Special aid has been maintained to the former Dutch colony of Surinam despite the recent military coup. But Cuba's African adventures have proved too much for the present Government and it was scrapped from the aid list.

Premier Dries van Agt, top, and Foreign Minister Chris van der Klaaw.



Industrial output rises in second quarter

BY OUR AMSTERDAM CORRESPONDENT

DUTCH INDUSTRY reported an encouraging increase in production in the March-to-May period. Activity in the manufacturing, minerals and gas industries rose a total of 5 per cent above the same period last year, manufacturing alone boosted production by 3.5 per cent, according to provisional figures from the Statistics Office. All sectors of industry produced 2.5 per cent more in May than in April on a seasonally adjusted basis.

Production volumes in industry are expected to rise only 1 per cent this year, according to the most recent Central Planning Office forecast. The annual rate of production growth has slowed gradually over the past four years from the 3 per cent level in 1977.

The overall picture is positive, says the Economics Ministry, though this conceals widely differing levels of performance. The wood and furniture, paper, printing, rubber and metal industries have done much better than industry as a whole. Below average performances were reported in the foodstuffs, clothing, leather, oil and chemical sectors. The clothing and leather industries have time and the oil industry has performed badly for some suddenly emerged as a weak sector, the Ministry says.

The cost of living fell slightly in the month to mid-June, though the underlying trend is for a continuing rise in price levels, the Statistics Office said.

Spaniard in Olympics top job

MOSCOW — Sr. Juan Antonio Samaranch, a Barcelona industrialist who is Spain's ambassador in Moscow, was elected the new president of the International Olympic Committee (IOC) yesterday.

Committee officials said Sr. Samaranch, who is 60 today, was elected on the first ballot to find a replacement for Irish peer Lord Lilianin, who has led the IOC for eight stormy years.

Four other candidates were in the running for the top Olympics job. They were Mr. James Worrall, a Canadian lawyer and regarded as Sr. Samaranch's main rival, Mr. Marc Hodler, of Switzerland and president of the International Ski Federation, Herr Willi Daume of West Germany, the organiser of the 1972 Munich Olympics, and Mr. Lance Cross, a retired New Zealand broadcaster.

Sr. Samaranch became president of the Spanish Olympic Committee in 1966. During his two years in Moscow he has been an important link between the IOC and the Soviet Games Organising Committee. A former boxer and roller hockey player, he speaks English, French and Russian.

Reuter

Sparks fly over Denmark's Energy Minister

BY HILARY BARNES IN COPENHAGEN

THE MISADVENTURES of Mr. Poul Nielson, Denmark's first Energy Minister, have been entertaining — or appalling — Dainsh newspaper readers almost daily for months. Even the pro-Government Press and his own Social Democratic party colleagues have been provoked periodically into criticising him openly, but, so far, Prime Minister Anker Joergensen, who brought the 37-year-old Mr. Nielson into his Cabinet last November, has held a protective hand over his protege.

In establishing the Energy Ministry (previously, energy policy was handled by the Ministry of Commerce), Mr. Nielson immediately showed a determination to give the state a bigger say in oil and gas matters.

First, he set out to obtain government-to-government oil contracts, arguing that this had economic advantages and would improve security of supply. Then he decided to press the Danish Underground Consortium, which has sole rights to search for hydrocarbons in the Danish North Sea, to speed up exploration, threatening vaguely that the Government might seek to change the Consortium's contract.

With such an exacting programme therefore, he caused some surprise last winter when, instead of appointing the Ministry of Commerce's leading expert on oil matters as permanent head of the new ministry, he brought in Mr. Ole Bech, a senior Foreign Ministry official with no experience in the energy field.

> Mr. Nielson caused some surprise last winter when he appointed a Foreign Ministry official without experience in the energy field as permanent head of the newly created Energy Ministry

And earlier this month, Mr. Nielson apparently tried to rid himself of Mr. Gerhard Jensen, managing director of the state oil and gas purchasing and distribution company, Dansk Olie Og Naturagas (DONG).

The affair began when DONG signed a contract with Petromin, the Saudi state oil concern, for delivery of 3m tonnes of oil a year. Mr. Nielson returned from a trip to Saudi Arabia in May to declare the contract "clear as a bell" of political conditions.

It emerged, however, that the contract contained a clause giving Petromin "absolute discretion" to terminate the contract if the Danish Government or its department brough Saudi Arabia into disrepute.

The opposition claimed the clause made nonsense of security of supply arguments and that the Minister had misled Parliament. It came close to forcing Mr. Nielson's resignation before the summer recess.

But, hardly had Mr. Nielson had time to catch his breath, than he was involved in a new storm. On June 30, in a Press statement, he said he was "considering changes in the Board of management of DONG." This was the first the Board had heard of the idea, and it was interpreted immediately as an attempt to downgrade Mr. Jensen who, as a side issue to the Saudi contract, had become involved in a peppery exchange of letters with a Copenhagen lawyer, which brought him a reprimand from DONG's chairman.

Mr. Nielson has since denied he was trying to appoint a new managing director over Mr. Jensen's head, although he gave this impression to members of Parliament's Energy Committee.

Such a storm erupted that the Prime Minister had to intervene. Mr. Jensen would stay, thte public now learned, but the part-time chairman of DONG will be replaced by a full-time one this autumn. At the same time the Premier denied emphatically that he was planning changes in his Government.

The action has brought a temporary calm to Mr. Nielson's harassed life, but the opposition is expected to launch a new onslaught on him when Parliament returns in October. This time they might well succeed, unless Mr. Joergensen decides before then that a Cabinet reshuffle would be a good idea after all.

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France simplifies funding for smaller businesses

BY TERRY DODSWORTH IN PARIS

THE FRENCH Government pushed its banking reform programme a further step forward yesterday with the formation of a new state-controlled organisation responsible for financing the medium- and long-term needs of smaller companies.

The aim of the new body, the Credit d'Equipment des Petites et Moyennes Entreprises (CEPME), is to simplify the process of funding small- and medium-size businesses. At the same time, the Government wants to establish a dense network of regional offices which, it believes, will be more responsive to the requirements of these kinds of companies than the present financing organisations.

Announcing the measures yesterday, M. Rene Monory, the Economics Minister, stressed both the decentralised nature of CEPME and the fact that representatives of small business would be closely associated with its development.

These two points fit in with one of the main aims of his banking reform plans, which has been to try and make the highly centralised French system more sensitive to the needs of industrial development in the regions. M. Monory has frequently stressed the importance of small-scale industry and commerce as a growth point in the economy.

CEPME is being formed by bringing together three lending institutions which are already active in the field of small- and medium-size companies. These three institutions — Credit Hotelier Commerciale et Industriel, Caisse Nationale des Marches de l'Etat and Groupement Interprofessionel des PME —are pooling their relevant lending activities after a period of long and, at times, difficult negotiations with the Government.

M. Monory: creating no monopoly

Although the new organisation will continue with the same basic work, the Government believes that the act of putting their resources under one head will clarify the financing arrangements to smaller-scale industry and commerce. It is widely felt that the present range of financing organisations leads to confusion about the services available.

M. Monory was at pains to stress, however, that CEPME was not creating a monopoly in the market. Companies would be free to go where they wanted for finance and other banks would continue to compete.

The organisation's capital structure will give the state 51 per cent of its assets, mainly because CEPME will now provide the main channel for pumping government money into the small and medium-size companies. The other big shareholder will be the Banques Populaires, the widely-based mutual institutions which have an interest in Credit Hotelier.

M. Monory said CEPME would be launched with a capital of FFr 1.4bn (£145m). It will be able to raise finance through the bond market which will then be passed to the industrial and commercial sector in the form of loans.

At the same time, the Government will be able to use the organisation to allocate the soft loans it makes through its Economic and Social Development Fund.

West German oil consumption down 8% in first six months

BY ROGER BOYES IN BONN

WEST GERMANY reduced its oil consumption by 8 per cent to 66m tonnes in the first half of this year, thanks partly to energy saving measures and a mild winter.

These factors, combined with the prospect of slower economic growth in the next six months, should ensure that the country easily betters its internationally-agreed oil import target of 143m tonnes this year.

Last year, West Germany, in common with many other members of the International Energy Agency, failed to meet its jointly agreed goal of cutting oil consumption by 5 per cent for the year and ended up importing 145m tonnes of crude.

An Economics Ministry report presented to the Cabinet yesterday showed that consumption of light heating oil in the first six months was 14 per cent below the equivalent period last year. In fact, consumption was even lower because the current figures include consumer stockpiling, whereas in 1979 those figures were kept separate. However, the mild winter clearly depressed demand for heating oil in the first two months.

Winter, though, also helped boost petrol consumption which rose by 4 per cent during the first half. The harder winter of 1978-79 reduced the number of cars on the road and thus made the increase in petrol use this year—up 13 per cent in January and February—seem particularly dramatic. However, the creeping recession in the motor industry is expected to keep petrol consumption in check during the rest of the year.

Energy-saving measures appear to have had a particular effect on industry's use of heavy heating oil, which fell by 12 per cent compared to the first six months of last year. Economics Ministry officials say there are two main factors at work: industry is investing more in fuel-saving machinery and, at the same time, is switching to coal and gas-based processes.

The fall in oil consumption is reflected in the drop in crude imports, figures for which were also released this week. These showed that oil imports fell by 6 per cent, that is, slightly less than consumption.

The Economics Ministry made clear at yesterday's Cabinet meeting that it was happy with the current West German supply situation. Consumption trends had evidently been influenced by higher prices. But even with a 12.5 per cent increase in the price of petrol since the start of the year, petrol is still among the cheapest in the European Community.

Government steps into Norwegian oil dispute

BY OUR OSLO CORRESPONDENT

THE NORWEGIAN Government yesterday moved to end a 14-day-old strike by 2,000 of its North Sea oil workers that has halted production on the Ekofisk, Frigg and Statfjord fields, causing losses of NKr 2bn (£175m).

Mrs. Inger-Louise Valle, the Labour Minister, said a Cabinet meeting tomorrow would refer the conflict to the National Arbitration Board, whose decisions have the weight of a judicial ruling. The striking workers have been asked to resume work immediately. In any case, the strike will become illegal as soon as the conflict has been referred to arbitration.

The decision will not affect a second strike in the North Sea which started on July 10 involving 2,000 Norwegian seamen and officers working on 28 mobile rigs on the Norwegian and British sides of the North Sea, north of the 62nd parallel and in distant waters. Mrs. Valle said this dispute would not be referred to arbitration for the time being.

The striking workers on the Ekofisk, Frigg and Statsfjord fields are seeking a wage increase of 33 per cent, a working week reduced from 36 hours to 28 hours, and a new work schedule permitting offshore personnel to spend 12 days afloat and 24 days ashore.

Martin Dickson adds: The Murchbison oil field, which lies largely in the UK sector, became the latest victim of the Norwegian seamen's strike yesterday when crewmen aboard its "floating hotel," the Borgland Dolphin, took industrial action. The vessel had been housing half of the 360 workers who are preparing Murchbison for the start of production later this year.

However, Conoco, the operator for the field, had sufficient warning of the stoppage to transfer the men housed on the Borgland Dolphin to a crane barge, the Berge Worker, which will be used as a floating hotel until the end of August. The strike therefore seems unlikely to affect the field's commissioning schedule.

Portuguese investment setback

By Our Lisbon Correspondent

PORTUGAL SUFFERED a severe blow to its hopes for attracting major West German investment yesterday, when Herr Hans-Dietrich Genscher, the West German Foreign Minister, left Lisbon without signing an indemnity and protection agreement.

The document, drawn up earlier this year, was due for signature during the four-day state visit here by President Karl Carstens which ends today. But disputes over the amount of compensation to be paid for West German assets nationalised after the 1974 revolution, have delayed its finalisation and frustrated Government hopes for substantial West German investment before October's general election.

The agreement is designed to protect West Germans from future naionalisation in Portugal and new investment is conditional upon its signing.

VIOLENCE IN TURKEY

Right-wing private army claimed

BY METIN MUNIR IN ANKARA

AN EXTREME right-wing leader in the central Turkish town of Yozgat claims to have set up a 5,000-strong private army which is keeping people under surveillance and even making arrests.

Mr. Ruhi Bacanli, provincial head of the Nationalist Action Party (NAP) in Yozgat, made his claim yesterday in the mass circulation daily newspaper, Hurriyet.

"We have succeeded where the State failed," Mr. Bacanli was quoted as saying. "We formed an intelligence organisation. At this moment my personnel number 5,000."

Mr. Bulent Ecevit, the main opposition leader, has said recently that Yozgat is "under fascist occupation." His party's headquarters in the town, 140 miles east of Ankara, has stopped functioning after it was destroyed by right-wing mobs.

Yozgat's population is 32,600, which means, if Mr. Bacanli is to be believed, that one out of every 65 inhabitants is a member of the NAP's local private army.

The Nationalist Achoi party led by 63-year-old Mr. Alparslan Turkes, is an important factor in keeping Mr. Suleyman Demirel's right-wing minority government in power. Mr. Turkes's followeds are generally believed to be among the principle combatants in the clash between extremeists on the Left and Right, which is claiming more than 250 lives a month.

Hurriyet quotes Mr. Bacanli as saying: "We assist the state's security forces. Because we have good intelligence we are able to direct security forces to houses where there are criminals or instruments of crime. We take measures around such houses so that criminals do not escape or destroy their instruments of crime. Then the police come and take the criminal away."

He complained that sometimes the police would not carry out their duties. "I don't let such policemen get away with it. Right now I have 25 policemen under investigation."

Apparently warming to his subject, Mr. Bacanli is quoted further: "Would you believe it, sometimes the police are afraid. When that happens we go out and catch people for them."

In the most revealing statement yet made by an NAP official, Mr. Bacanli says that his men, who are not paid, "keep everybody who steps foot into Yozgat under surveillance."

The head of Mr. Ecevit's Social Democratic Republican People's party in the province claimed in a Hurriyet interview that he and other members of the party live in fear of their lives.

The NAP headquarters in Ankara said yesterday that the party had set up a committee to look into the matter. But neither the party nor Mr. Bacanli denied the Hurriyet report.

Lebanese Cabinet's resignation accepted

Lebanon's President, Mr. Elias Sarkis yesterday accepted the resignation of the Government of Dr. Selim al-Hoss, Reuter reports from Beirut. Dr. Hoss, aged 51, tendered his Government's resignation 10 days ago, but the President deferred a decision at that time.

It was Dr. Hoss's third Cabinet since he became Prime Minister three-and-a-half years ago. A former governor of Lebanon's central bank, he was taken to hospital last month suffering from acute asthma which

Algiers army staff

President Chadli Benjedid of Algeria announced the re-establishment of an army general staff and the appointment of two new deputy Defence Ministers, AP reports from Algiers.

The general staff was abolished in 1967 when the chief of staff tried to oust President Houari Boumedienne.

Israeli inflation

Israel's consumer price index jumped by a further 4.6 per cent in June, L. Daniel reports from Tel Aviv. That was half the rate of inflation of the two preceding months, but was the highest June figure since 1952 and brought the cumulative rise since the beginning of the year to 50 per cent.

Hospital strike ends

Sri Lanka's state-run hospitals, which were paralysed by a nurses' strike on Tuesday, were functioning normally yesterday, Reuter reports from Colombo. The nurses are seeking higher pay and better promotion prospects.

Begin rebuke stresses autonomy rift

BY OUR TEL AVIV CORRESPONDENT

AN INDIGNANT public rebuke administered to President Anwar Sadat by Mr. Menahem Begin, Israel's Prime Minister, has shown in the clearest fashion yet the two leaders' irreconcilable views on Palestinian autonomy.

The Egyptian leader's outburst followed a clash between the chief Egyptian and Israeli negotiators in the talks on Palestinian autonomy at the end of their last session in Cairo on Tuesday. The open row between Mr. Shmuel Tamir, Israeli Justice Minister, and Dr. Boutros Ghali, Egyptian Minister of State for Foreign Affairs, was over the status of Jerusalem.

The latest exchanges failed to reach agreement even on the agenda for a resumption of talks. Specialists are to meet again in a fortnight's time in an attempt to settle procedural issues.

Mr. Begin quoted at length from the Camp David summit accords of 1978 to support his claim that Israel was acting in strict compliance with the agreement. In his interpretation of Camp David, "full autonomy" for Palestinians of the West Bank and the Gaza Strip meant purely local administrative powers with all real control remaining in Israeli hands.

He said that the Egyptian demands for legislative powers to be accorded to the proposed Palestinian self-governing authority and for curbs on the movement of Israeli troops in the West Bank contradicted the letter of Camp David. The Begin interpretation of the accords is not widely shared abroad, even in Washington.

As for Israel's "right" to rule the West Bank, Mr. Begin declared: "The President of Egypt expects me to renounce my faith that Eretz Israel (the Land of Israel) is the land of my fathers. It is my duty to answer him, with respect and friendship, that such an expectation would be in vain. For, indeed, Eretz Israel is the land of our forefathers. Every Jew, Christian, and Moslem knows this truth."

Mr. Begin's outspoken declaration has emphasised that the differences between Israel and Egypt are too fundamental to be healed by diplomatic balm. The Israelis take little trouble to hide the fact that they had expected Mr. Sadat, in exchange for the return of Sinai, to settle for superficial autonomy for the West Bank and Gaza.

Our Foreign Staff writes: General Kamal Hassan Aly, Egypt's Foreign Minister, yesterday rejected Mr. Begin's assertion that the Egyptian Government had changed its position on key negotiating topics like the status of Jerusalem.

He asserted that Egypt, rather than Israel, was correctly reading both the Camp David accords and Security Council resolution 242.

Earlier he talked to U.S. officials who were seeking ways to find common ground for the continuation of the talks.

The status of Jerusalem is one of the major omissions of the agreement signed by Mr. Begin and President Sadat which provided the basis for the Egyptian-Israeli bilateral peace treaty and was meant to provide the framework for negotiations about the future of the West Bank and Gaza Strip.

AP reports: Israel is taking diplomatic action in an attempt to block the French sale of weapons-grade nuclear fuel to Iraq.

"Israel cannot allow itself to sit and wait for an Iraqi atomic bomb to fall on our heads," Mr. Mattityahu Shmuelevitch, a senior aide of Mr. Begin said yesterday.

Mr. Moshe Arens, Chairman of the Knesset Foreign Affairs and Security Committee, said the U.S. was also lobbying with France against the impending sale.

Israel fears that once Iraq has both uranium and the French-built reactor due to be completed there next year, it will go ahead to develop nuclear arms.

Bani-Sadr promises early trials for conspirators

TEHRAN—Trials of conspirators involved in last week's abortive military coup against Ayatollah Khomeini's regime in Iran are to begin immediately, President Abol Hassan Bani-Sadr announced yesterday.

The President, who was speaking after the country's borders and air space had been closed for 48 hours, said the plotters would be dealt with decisively.

His comments followed a 30-minute meeting with the Ayatollah. Mr. Bani-Sadr said they had discussed the condition and running of the armed forces.

No official figures have been given for the number of people arrested after the coup had been foiled. But one official has said the number was about 320.

Mr. Ali Akban Moinfan, Iran's Oil Minister, said the arrival and departure of oil tankers would not be affected by the 48-hour closure of Iran's air, sea and land frontiers.

The official news agency reported that 21 people had been given 15 lashes each for eating in public during the current fasting month of Ramadan.

In Cairo, a doctor attending the former Shah said he underwent limited surgery early yesterday to clean a new abscess that had formed on his thigh. "It's something small, nothing serious," the Egyptian doctor said.

Agencies

Kampuchean relief talks start in conciliatory mood

BANGKOK — Officials of international relief agencies, led by Sir Robert Jackson, the United Nations co-ordinator, started talks with the Thai government yesterday on the Kampuchean relief operation.

Diplomats said the mood of talks was conciliatory. The relief officials were taking a much softer line on controversial aspects of the operation than they had earlier this month.

They were now willing to reopen a "land bridge" across the border provided Kampucheans were arriving at the border seeking food

There was also no talk of an October deadline by which the agencies would re-assess their involvement in the feeding of tens of thousands of Kampucheans now camped on the Thai border, many of them under the control of armed guerrillas.

The October deadline was set at a meeting in New York earlier this month at which the relief agencies agreed to move toward the principle of no aid to armed groups and to ensure effective monitoring of food distribution.

This agreement has already halted aid to an area controlled by guerrillas loyal to the ousted Khmer Rouge Government.

The Thai Government has insisted that aid should go to both sides in accordance with its declared neutrality

Agencies

International talks urged on Afghanistan issue

BY K. K. SHARMA IN NEW DELHI

THE THREE-MAN committee of the Islamic conference formed to deal with the Afghanistan issue wants an international conference to take up the matter. Among those taking part would be the Soviet Union, the U.S., members of the Security Council, countries around Afghanistan and some non-aligned countries.

This was stated here yesterday by Mr. Agha Shahi, Pakistan's Foreign Minister, who is a member of the three-man committee which has been holding talks with various world leaders. Mr. Shahi ended two-day talks with Indian leaders yesterday. Their discussions focused mainly on the Arghanistan issue.

The other members of the committee are Mr. Habib Chatti of Tunisia, who is secretary general of the Islamic conference organisation. and Mr. Sadeq Qotbzadeh, Iran's Foreign Minister.

Mr. Shahi told a Press conference that Russia had sought guarantees of non-interference in Afghanistan from the U.S. in its latest proposals. Pakistan wanted similar guarantees and hence both envisaged that the super-powers had a role to play in settling the issue.

The purpose of Mr. Shahi's visit to Delhi was to hold discussions on regional developments, mainly in the context of the Afghanistan invasion, and on bilateral relations. Hardly any progress has been made on the latter because of the issue of Kashmir and the suspicions of each country about the other's arms build-up.

A speech by Mr. Shahi at a banquet given in his honour by Mr. Narasimha Rao, the Indian Foreign Minister, was noted with "dismay" by the latter after the Pakistani Minister had made references to Kashmir and had proposed a mutual reduction of troops.

The Indian side obviously feels that this is airing in public matters which should only be discussed in private. Thus Delhi feels that Pakistan has turned the clock back on the process of normalisation.

Miami policeman arrests a suspected looter.

David Buchan reports on Tuesday's racial flare-up

Police shot in new Miami violence

EXTRA POLICE were yesterday dispatched to Miami's black areas, bus services were suspended and schools closed following the injury of five white policemen on Tuesday in a brief recurrence of the racial violence that in mid-May caused 18 deaths and nearly $100m (£42m) damage to property.

Stones and bottles were thrown and shots fired at the policemen trying to arrest three blacks for holding up a white motorist driving through Liberty City, the main black area of the Miami. The disturbances then spread to the city's other black neighbourhood, Coconut Grove.

Thousands of tourists, many from Britain, holidaying in the separate Miami Beach area, were unaffected. But the flare-up of violence underlined that little has changed since May. Almost none of the Liberty City damage has been repaired and few unemployed blacks given jobs, as federal and local politicians had promised. Tension still runs high between the largely white police force and the city's black community.

Guns looted in the May riots may have made it worse. Sergeant Fred Pelny, who was shot in the back on Tuesday said: "I feel sorry for the other policemen out there. There's a lot with a chance to get shot." Another colleague was quoted as saying bitterly that the city authorities "want us to be social workers with a badge."

The city police force and its legal chiefs are under various forms of investigation and supervision by the federal Government and Florida state. The case that sparked the May riot, the beating to death of a black, Mr. Arthur McDuffie, by white police officers, has been reopened before a federal grand jury. Extra FBI agents and civil rights lawyers were sent down

In addition, the conduct of Mrs. Janet Reno, who is the chief prosecuting officer for Miami's surrounding Dade County, is being probed by a commission set up by Governor Bob Graham of Florida.

But Tuesday's violence is a reminder of the danger of leaving unattended the economic roots of discontent in Miami's black community, which has evidently felt itself neglected and pushed aside in favour of the growing Cuban influx. Despite two visits to the city since the May riots, President Carter has not made federal disaster aid available.

Instead, the Small Business Administration was supposed to provide low-cost loans and loan guarantees to help rebuild businesses looted or destroyed in May. But the SBA has run short of money from Congress, and no such loans had yet been made, according to Miami officials.

A recent survey by the Miami Herald showed that virtually none of the Liberty City businesses razed to the ground in May intended to start again there, and that little repair of more minor damage had begun.

Some 3,000 blacks lost their jobs because of the May violence. Miami's large white business community at first pledged to hire as many of them as possible. But recession, hitting southern Florida as it is the rest of the country, has evidently ruled this out. Big companies based there, such as Eastern Airlines have claimed they were lucky not to be laying people off, and would certainly not be hiring more.

Carter sends $6.7m in drought relief

BY OUR FOREIGN STAFF

President Jimmy Carter yesterday ordered that $6.7m (£[illegible]m) in federal aid be made available to provide relief in six southern states affected by the current heat wave.

The money is to be used for transporting those in danger to air-conditioned relief centres and to help the poor buy fans and air conditioners, and pay electricity bills. The states receiving the aid are Texas, Missouri, Arkansas, Oklahoma, Louisiana and Kansas.

More than 650 people are believed to have died in the heat wave over the past three weeks.

States of emergency have been declared in Missouri, where more than 150 have died and Alabama.

President Carter has also told the Agriculture Department to speed up distribution of assistance to farmers hit by the drought. So far, loss to crops, livestock and poultry in the south and midwest amounts to some $2bn.

The U.S. National Weather Service says that no relief is in sight, at least until the end of the week. Temperatures were as high as 110 degrees Fahrenheit in Kansas City yesterday.

Anderson to meet Thatcher

MR. JOHN ANDERSON, the U.S. independent Presidential candidate, arrived in Britain yesterday for talks with Mrs. Thatcher and Lord Carrington, the Foreign Secretary. He will stay for 2½ days.

Yesterday Mr. Anderson said he had been most impressed during his talks with European officials and business leaders by the importance they attach to a stable U.S. dollar.

The major problem between Europe and the U.S. was "the failure of recent economic decision-making in the U.S. to create the kind of stable economic conditions that would sustain a sound and stable dollar," he said.

Pinochet orders secret service reorganisation

BY MARY-HELEN SPOONER IN SANTIAGO

GENERAL Augusto Pinochet has announced the reorganisation of Chile's intelligence services in the wake of the assassination of the director of the army school of intelligence by gunmen on Tuesday.

Lieutenant Colonel Roger Vergara Campos was killed in a residential area of Santiago when his car was ambushed by at least two men firing Soviet Aka machine guns

Gen. Pinochet said the country's intelligence organisations would be placed under a single authority. These groups include the national information centre (CNI), established three years ago when the more notorious secret police organisation, the DINA was dissolved, as well as intelligence branches of the armed forces and military police.

Earlier this year gunmen fired on an office of the CNI with machine guns, and in another attack, members of the proscribed movement of the revolutionary left (MIR) shot and killed a policeman guarding an eternal flame monument to the 1973 military coup

In announcing the reorganisation of Chile's intelligence services, Gen. Pinochet chided the country's inactive political parties, saying that the killing proved that the "Marxist threat" to the country persisted.

Venezuela and Mexico plan oil sales pact

CARACAS — Mexico and Venezuela are close to signing an agreement to supply oil under special financial terms to other Caribbean nations, Sr. Humberto Calderon Berti, Venezuelan Minister of Energy and Mines, said here.

President Luis Herrera Campins of Venezuela and his Mexican counterpart, Sr. Jose Lopez Portillo, will announce the agreement at San Jose, Costa Rica, on August 3, he said.

"The financial terms we are going to offer are unique, and reflect Mexican and Venezuelan solidarity with the countries in the region, which are of great economic and political significance," said Sr. Calderon.

Reuter

Peking approves tighter rules for publications

PEKING — China yesterday issued a new set of publishing regulations which appear to sound the death knell for the few unofficial magazines still in existence.

The People's Daily said the regulations, passed by the State Council (China's Cabinet). were aimed at "speedily halting the indiscriminate publication of certain books and magazines," and illegal sales of all types of publications.

The new rules call for publications to be registered and prohibit Government and other organisations from privately producing books and magazines for sale.

A member of the editorial staff of the poetry and prose magazine, Today, the only unofficial journal still being produced in Peking, said he expected his magazine would try to register.

Reuter

Suzuki expected to name his Cabinet today

TOKYO — Japan's new leader, Mr. Zenko Suzuki, was yesterday putting the finishing touches to the Cabinet which he will announce after Parliament declares him Prime Minister today.

He is expected to offer the foreign affairs portfolio to the acting Prime Minister, Mr. Masayoshi Ito. Mr. Ito became the country's acting leader when Mr. Masayoshi Ohira died in office on June 12.

Other top posts, probably in the economic sphere, will go to Mr. Yasuhiro Nakasone and Mr. Toshio Komoto. who dropped out of the race for the premiership last week in favour of Mr. Suzuki.

Another early contender for the top post after Mr. Ohira's death, Mr. Kiichi Miyazawa, a former Foreign Minister, is expected to become chief cabinet secretary.

Reuter

Shorter hours warning to Australia's employers

BY PATRICIA NEWBY IN CANBERRA

THE AUSTRALIAN Government has taken a tough stand against a campaign for a shorter working week which is being led by 300,000 workers in the metal trades.

Mr. Philip Lynch, Minister for Industry and Commerce, announced yesterday that any company which entered an agreement for shorter hours would be referred to the Prices Justification Tribunal for public inquiry into its pricing policies.

Decisions by the tribunal are legally binding, but companies do not like being called before it because of the cost, extra administration and possible public embarrassment.

The Government has also threatened to withdraw tariff protection, Government contracts and other benefits from companies which accede to union demands for a 35-hour week instead of the current 40 hours.

Several industries, especially those which are capital intensive like mining, are known to be willing to grant the 35-hour week for the sake of industrial peace.

Republican harmony on Reagan's big day

BY JUREK MARTIN AND REGINALD DALE IN DETROIT

WITH THE Götterdämmerung roll of a spectacular early morning thunderstorm providing a fitting backdrop, Mr. Ronald Reagan was last night jubilantly awaiting the climax of his political career to date—his selection as the Republican Party's Presidential candidate in 1980.

Only a handful of the 1,994 delegates attending the party convention were expected to vote for somebody else. So Mr. Reagan has remained in his hotel room, taking advice on his choice of a running mate and watching the convention proceedings on television.

Mr. George Bush, who fought longest against Mr. Reagan in the primaries, seemed the most popular choice of the delegates, and of former President Gerald Ford. But the names of Congressman Jack Kemp from New York, Congressman Guy vander Jagt from Michigan and Mr. Donald Rumsfeld, were also being bandied around by everybody other than the Reagan inner circle, which was resolutely silent and keen to preserve the suspense.

The convention has been notable for the dominance of the party's Right wing and for the rallying behind the Reagan candidacy of elements of the party who have previously harboured misgivings about him. They are now opting for unity in pursuit of the goal of unseating President Jimmy Carter, the butt of every speech and meeting.

Tuesday night's proceedings reflected the tone of this convention perfectly. Republican moderates saw a brief attempt to open debate on the party's platform comprehensively crushed. Only the delegations from Hawaii and Massachusetts spoke up in protest against the platform's opposition to abortion and its repudiation of the Equal Rights Amendment for women.

Even that erstwhile party heavyweight, Senator Charles Percy, from Illinois, found himself unable to swing his own state delegation behind him to object to one extremely contentious passage—which recommends that federal judges be appointed only after they have first certified their belief in anti-abortion, pro-family positions.

But the rest of the session, which in very un-Republican manner ran so far behind schedule that the planned keynote speech by Congressman vander Jagt had to be postponed until last night, was a picture of perfect harmony. The leading musicians were Congressman Kemp, Senator Barry Goldwater and Dr. Henry Kissinger.

To capturous applause, an unrepentant Mr. Goldwater, just out of his hospital sickbed, spelled out the same right-wing message that lost the Republicans the 1964 Presidential elections under his leadership. If America had been strong and well led, there would have been no World War II, Vietnam would have been over in a matter of days and there would today be no hostages in Iran, he claimed.

Striking the apocalyptic note that has so frequently been heard here this week, he warned that the danger were now so great that this could be the last Republican convention. There were selfish interests in the U.S., working against the American system, and he wanted to know the truth about them.

The Democrats had inflicted an enormous wound on America by destroying the country's eyes and ears, the CIA. Meanwhile ordinary Americans were sick of the extravagant waste of public money being handed out to those who did not want to work.

Congressman Kemp's much heralded "spontaneous" floor demonstration in support of his Vice-Presidential ambitions, turned out, when it came, to be less dramatic and shorter than many had feared. The Reagan camp had sent him the word that if the stamping, shouting, flag-waving and horn-blowing from his conservative supporters lasted more than 10 minutes it would be considered "unseemly." In the event it subsided after only two.

But Mr. Kemp was thought to have done himself some good with a speech that closely mirrored Mr. Reagan's views, with heavy emphasis on the American dream and the need to restore it. "The American idea was never that everyone would be levelled to the same position in life, he said. The American idea was that each individual should have the same opportunity to rise as high as his effort and initiative and God-given talent could carry him.

"Again and again, in word and deed, Jimmy Carter has clearly stated his belief that people are the problem, and that austerity is the answer. Austerity is not the answer. Austerity is the problem—the American people are not the problem. They are the answer," he said.

Striking a more intellectual note, Dr. Kissinger argued the strategic case for a much stronger U.S. defence. If the country's current weakness continued, "sooner or later it will produce catastrophe." He went on: "Our current foreign policy specialises in responding to disasters it has helped produce."

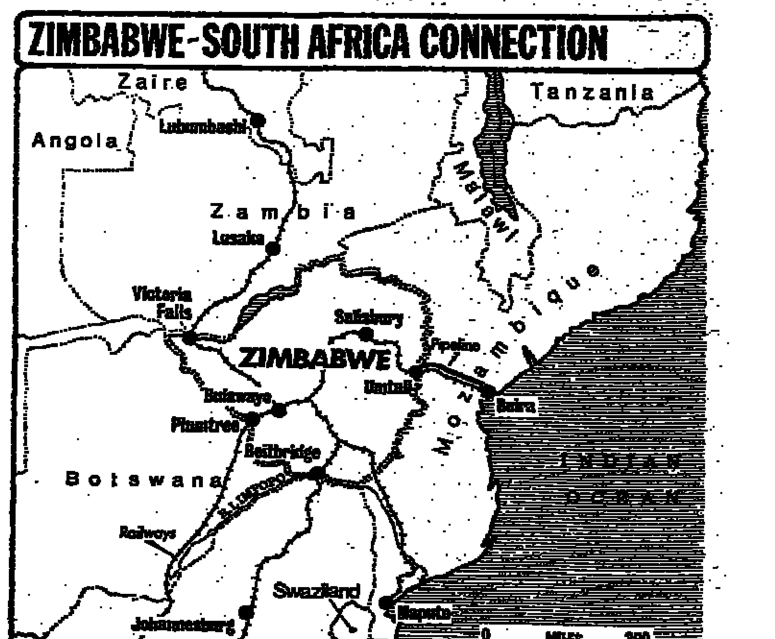
Most notably, in throwing his weight solidly behind Mr. Reagan and the Republican Party, Dr. Kissinger conclusively abandoned his traditional insistence that U.S. foreign policy should be a bipartisan matter.

Arguing the need to restore mutual confidence and co-operation in the Western alliance, Dr. Kissinger dropped from his speech (possibly because he was speaking so late in the evening) prepared remarks in which he had clearly intended to criticise the Europeans for their recent Middle East peace initiative and France for President Giscard d'Estaing's May visit to Warsaw for talks with President Brezhnev.

Again, the need for harmony prevailed over the right's virulent dislike of Dr. Kissinger's detente policies. The expected boos and catcalls did not materialise, giving ground to polite applause as the clock ticked towards midnight.

Tony Hawkins in Salisbury and Bernard Simon in Johannesburg report on two reluctant bedfellows

Mugabe finds maize comes before politics



THE LONG queues of whites formed outside South Africa's diplomatic mission in the Zimbabwe capital last week were dramatic evidence of white concern at the latest twist in Zimbabwe's relations with its powerful neighbour to the south.

Yet Mr Mugabe's recent announcement that the South African diplomatic mission in Salisbury had been told to "pack its bags" came as no surprise: the break was inevitable once his ZANU-PF party won the elections. Mr Mugabe's tough line against South Africa at the Organisation of African Unity summit in Freetown earlier this month indicates what is expected of him in black Africa.

But Zimbabwe will remain at South Africa's economic mercy, at least for the immediate future. In Freetown, Mr Mugabe spoke out against oil sanctions against South Africa: Zimbabwe is heavily dependent on fuel imports using the South African port and rail systems. Despite the diplomatic breach, trade and transport links and representation are to remain.

What remains to be seen is whether Pretoria will be driven to hard-line retaliation against Zimbabwe and whether the Mugabe Government has more strings to its bow in policy towards the white south.

Some 90 per cent of Zimbabwe's import-export traffic uses South African transport routes, along with a significant proportion of traffic for Zambia and Zaire.

Zimbabwe's main rail links, the Beitbridge and the Plumtree-Botswana lines, both pass through South Africa to the sea. There are two alternatives.

The Maputo line, closed since March 1976 when Mozambique shut its border with Mr. Ian Smith's Government, was badly damaged in the war and is not due to reopen until next year. Even then, there are serious doubts about the handling capacity of both the port of Maputo and the track itself.

The closer and cheaper alternative runs via Umtali to Beira on the Mozambique coast. The port can only handle vessels of a maximum 5,000 tonnes but when dredging is complete next April, it should take 25,000-tonne vessels.

The reopening of the Beira-Umtali oil pipeline will also be a major step towards reduced reliance on South Africa, but this, too, looks to be some time away. Tests of the pipeline, closed for 15 years, are due to start in the next two months but it seems unlikely to open this year and there could be very considerable delays and costs involved. The Feruka oil refinery at Umtali will not be back in operation until late next year, at the earliest.

All of this means that Zimbabwe's near-total dependence on South Africa transport will continue for the next year, and that the pace at which this dependence is reduced will hang on the efficiency and capacity of the Mozambique ports and railways.

Mr. Robert Mugabe

Trade ties are less vital. Last year, South Africa is thought to have purchased roughly a quarter of Zimbabwe's exports and provided between 30-40 per cent of its imports. It is not known what proportion of this trade represented traffic through middlemen to evade sanctions. But clearly, South Africa is far and away the most valuable market for an important number of Zimbabwean manufacturers in the clothing, footwear, textiles, furniture, and radio industries.

Industrialists are now hastily trying to shift the emphasis back to the northern markets, but this is forcing them to deal with purchasers who all too often lack the creditworthiness and foreign exchange to replace the buoyant South African market. Zimbabwe is nursing hopes of breaking into export of capital goods in place of South African suppliers, but is unable to compete in respect of export credits.

On the import side, Zimbabwe has already been working to find new sources of supply and to reduce the unhealthy dependence on South Africa that grew up under sanctions. But this policy will be hampered in that costs will often be higher and spare parts and components previously supplied by South Africa, will be hard to replace. In the last year, Zimbabwe has even been forced by a poor harvest to import maize from South Africa.

Financial links are also far less close now than in the period when South Africa was the normal channel for sanctions evasion. Rhodesia did borrow heavily from South Africa to finance the war and budget deficit in the last two years and there are outstanding credits to be repaid. Last week, the Minister of Finance, Sen. Nkala, reiterated that Zimbabwe would repay all its outstanding international obligations. This, presumably, includes the South African war loans. But the deterioration in relations may well bring to an end capital inflows from South Africa which played a crucial role in financing Rhodesian expansion. As a result, Zimbabwe will be looking more than ever to Britain, the EEC, the U.S., Japan and the international agencies for foreign financial assistance.

South Africa is vulnerable to any further deterioration in relations because of the large numbers of South African nationals or South African-born Zimbabweans in the country and because of its investments there. Recent figures from Pretoria show that 80,000 whites in Zimbabwe are South African citizens. Pretoria will want to retain some form of representation in Salisbury to look after these people and also the many other white Zimbabweans contemplating emigration to South Africa.

At a rough estimate, about one-third of Zimbabwe's capital stock is South African-owned and many major groups in mining, agriculture and manufacturing are South African-controlled.

Mr. Mugabe is most unlikely to threaten action against these interests, given his own exposure to retaliatory moves over the use of South African transport and the import of such essential goods as maize. None the less, the message for South African-owned and controlled businesses is clear enough. They cannot expect to win major contracts unless or until they sever their direct ties with South Africa.

A search for stability beneath Pretoria's war of words

THE RECENT flurry of accusation and threats between Pretoria and Salisbury has done nothing to keep relations between the two governments on the even keel both would probably prefer. But the South African Government must take its share of the blame for the rising tensions.

It has done little since Zimbabwe's independence to discourage the attitude prevalent among South African whites that Mr. Mugabe is a revolutionary Marxist bent on seizing whites' property and chasing them over the border. They have also been warned, since the war in Rhodesia started in 1973, that Mr. Mugabe and Mr. Joshua Nkomo, the leader of the Patriotic Front, are the allies of the "communists" and represent part of what the Prime Minister, Mr. P. W. Botha, calls the "total onslaught" against South Africa.

Despite Salisbury's assurances that it will not allow anti-South African guerrillas to establish bases inside Zimbabwe, South African Cabinet Ministers miss few opportunities of publicly reminding Mr. Mugabe of the consequences of sanctioning such bases.

Domestic politics largely explain the fuss ministers are making. The Prime Minister is already under pressure from the right wing of his National Party to slow the pace of the race reforms which he started last year. He would further antagonise the ultra-conservatives if he seemed to be warming to Mr. Mugabe.

Equally, Zimbabwe exerts a special emotional pull that Mozambique, for example, does not. A senior South African diplomat, when asked 18 months ago why his country was so opposed to the advent of a Marxist government in Zimbabwe when South Africa appeared to be co-existing happily with Mozambique, replied: "There are not thousands of Afrikaners living in Mozambique."

Yet real retaliation against Zimbabwe for the closing of the South African mission in Salisbury is most unlikely.

Pretoria has several levers. It can slow down the transport of Zimbabwe's imports and exports, cut back the number of Zimbabwean workers in South African mines or discourage South African tourism north of the Limpopo.

A nationalist newspaper in Johannesburg suggested last week that "if there is no move in Salisbury to initiate talks (on future political and economic links) Pretoria may well reject Mr. Mugabe's option of retaining trade links in favour of an 'all or nothing' standpoint."

But like the frequent anti-Mugabe radio and television commentaries, this attitude is probably intended mainly for white South African consumption. South Africa's main interest in Zimbabwe is stability, and any hostile move would invite strong international condemnation.

Nevertheless, on the economic front, the South African Credit Guarantee Insurance Corporation (CGIC) has decided in consultation with the Government to place new restrictions on credit cover for South African exports to Zimbabwe. It insists that these are not intended to inhibit trade, but simply to limit its exposure to Zimbabwe. But a CGIC spokesman has admitted that the decision was taken on political as well as economic grounds.

According to South African officials, few discussions have been held with the Mugabe Government on matters such as the existing preferential trade agreement or on South Africa's large outstanding loans to Zimbabwe. Pretoria has indicated however, that it has no intention of abrogating the trade pact.

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WORLD TRADE NEWS

Brezhnev's son in Rome credit talks

By Rupert Cornwell

THE SOVIET UNION will step up its pressure on a wavering Italian Government this week to authorise a new and enlarged export credit line to Moscow, negotiations for which were effectively frozen after the Soviet invasion of Afghanistan.

A Russian trade team led by Mr. Yuri Brezhnev, son of the Soviet leader and USSR vice-Minister for Foreign Trade, is in Rome for a four-day visit, during which he will hold talks with Sig. Enrico Manca, the Italian Foreign Trade Minister, and other top industrialists and government leaders.

The previous export credit arrangement of $600m (£252.5m) was exhausted last year. Its replacement by a bigger line of up to $1bn—the same as that granted to China — is being studied, but its conclusion has been held up by political considerations and the poor state of East-West relations.

However, the Rome Government is beginning to come under pressure from domestic industry, which fears for its prospects in the Soviet Union, of which Italy is one of the largest Western suppliers.

At the same time, the fact that the Soviet Union supplied almost 6 per cent of Italy's oil imports in 1979 is further argument for keeping trade relations between the two countries as smooth as possible. To this end, suppliers' credits for deals with the Soviets have recently been reactivated here.

During Mr. Brezhnev's stay, the Russians will sign with representatives of Finsider a renewed five-year agreement under which the State-controlled steel concern will supply the Soviet Union with pipes and other steel products in return for raw materials.

● Britain's Export Credits Guarantee Department (ECGD) has backed a $20m line of credit which Midland Bank has provided to Corporacion Financiera de Desarollo (COFIDE) of Peru.

The loan, which will help finance capital plant, equipment and associated services contracts placed in the UK by Peruvian buyers, is the largest ECGD-backed line of credit to be made available to Peru.

Alfa-Nissan venture nears approval

BY RUPERT CORNWELL IN ROME

THE WAY at last seems virtually clear for the approval of the controversial joint venture near Naples between the State-owned Italian car manufacturer Alfa Romeo and Nissan of Japan.

Some of the money due to be channelled through the State Conglomerate, IRI, parent of Alfa Romeo, under the recent government economic package, has been earmarked for a new plant near Alfasud's Pomigliano D'Arco works at which 60,000 vehicles a year will be assembled.

Meanwhile Fiat, the biggest Italian car group, while still opposed to the deal, appears to have signalled its grudging acquiescence at a top-level meeting here this week with representatives of Alfa and IRI and the Government Ministers concerned.

It now remains only for the project to be approved by CIPI, the top inter-ministerial industrial policy committee. Most observers expect this to take place by the end of this month, barring surprises, thus ending several months of argument and uncertainty.

The new Alfa-Nissan developments coincide with figures showing that the boom in Italian domestic car registrations, despite most predictions and in contradiction with the grim news from most foreign countries, continued in June.

Sales last month jumped 24 per cent from a year earlier to 153,579 units, and over the first six months of 1980 rose to 936,700 units, 12 per cent up on the first half of 1979. Fiat's share of the total was 45 per cent, and Alfa Romeo's 7.6 per cent, while imports captured 38 per cent.

The Alfa-Nissan deal provides for the construction of 60,000 cars a year, half of which would be marketed in Italy and half abroad. The new car, dubbed "Arna-1," would be 80 per cent by value made up of Italian parts. The body would be welded in Italy from pre-pressed parts imported from Japan.

The venture wil provide more than 1,000 new jobs in the depressed south of Italy, when production begins in 1984.

Third World hopes dim for East bloc sales

BY BRIJ KHINDARIA IN GENEVA

THE SOVIET UNION and its Eastern bloc partners are unlikely to become major export markets for developing countries in coming years, in spite of their verbal support for Third World development efforts, according to a UN report.

The report, prepared by the United Nations Conference on Trade and Development (UNCTAD) says that Eastern Bloc imports of manufactured goods from developing countries have fallen steadily since 1970.

This diclosure has dampened Third World hopes that the Soviet Union and its allies might become growing customers to offset export markets lost because of protectionist policies in Western nations. The report has also strengthened the hands of those Western countries, including the U.S. and the Common market, which charge that the Soviet Bloc pays only lip service to Third World economic development needs.

Exports of manufactures from developing countries to socialist countries fell from 4.1 per cent of total manufactured goods exports in 1970 to 2.2 per cent in 1977, the latest complete figures available. As a proportion of total developing country exports, those of manufactures fell from 15.6 per cent in 1970 to 10.6 per cent in 1977.

The main exports of developing nations to Soviet bloc countries were textiles, clothing, non-ferrous metals, iron and steel and chemicals.

South and South-East Asia accounted for half of developing country exports of manufactures to socialist countries, Africa for a quarter, Latin America for 16 per cent and Western Asia for 11 per cent.

In contrast, imports of Third World manufactures by Western industrialised countries increased from $6.5bn (£3bn) in 1970 to $239bn in 1978. As a proportion of total imports of manufactures, imports from the Third World rose from 4.9 per cent in 1970 to 7.7 per cent in 1978.

Trade in manufactures among developing countries themselves increased from $3.9bn in 1970 to $17.2bn in 1977.

GATT studies Greek EEC entry treaties

BY BRIJ KHINDARIA

GREECE'S treaties of accession to the Common Market are being examined by the General Agreement on Tariffs and Trade (GATT) to clear the way for Greek entry into the Community on next January 1.

The treaties must be approved by GATT, whose Article 24 states that Customs unions may be enlarged only if the new partner pledges to move towards full free trade conditions, and the overall level of import tariffs is not higher than previously.

Each GATT member will be asked to comment on the treaties and both Greece and the Community must ensure that the rights of GATT's other members will not be impaired by Community enlargement.

Greek entry into the Community is expected to pose fewer problems for GATT than that of Britain, Denmark and Ireland, in 1972, because the level of protection of Greek markets will be reduced. In Britain and Denmark, tariffs on food products and some industrial goods were increased as a result of Community membership, causing conflict with GATT's Article 24.

Greek tariff levels on industrial products will drop from an average 18 per cent to about 4 per cent, because of Community membership, and Greece will also reduce quota restrictions on about 200 imports.

The review by GATT should be completed by the end of October. Greece has already aligned its trade policies significantly with Common Market rules as a result of its 1962 association agreement with the Community, which was also approved by GATT.

British wool textile exports increase 6%

BY RHYS DAVID

BRITAIN'S wool textile industry is managing to keep its nose ahead of last year's export figures, with sales in the first five months 6 per cent up on the same period in 1979.

There is concern, however, over a sharp fall-off in demand from one of its principal markets, Japan, where sales so far this year have been down by about a third on last year.

The industry, one of Britain's most important export earners, had sales overseas of £35.5m in May, bringing total business so far this year to £179.1m. Exports of wool cloth at £65.5m were up 3 per cent in value and yarn exports at £35.8m were up 20 per cent. Raw wool exports at £27.9m were up 12 per cent but earnings from tops (combed wool) showed an 11 per cent fall.

Surprisingly, in spite of the recession in textile demand and the high value of sterling, sales of woollen cloth to Western Europe were up from 4.5m square metres to 5.4m square metres. Worsted sales were also up from 1.68m to 2.1m square metres.

There was an improvement in worsted exports to the Middle East—up from 1m square metres to 1.5m square metres—though sales of woollens fell slightly. Syria, Iraq and Saudi Arabia have increased their imports.

In the Far East, sales to Japan have been affected, according to Mr. Geoffrey Richardson, director of the National Wool Textile Export Corporation, by the weakness of the yen. Woollen exports to the Far East as a whole were down from 1.87m to 1.15m square metres and worsteds fell from 2m to 1.46m square metres.

Japanese boost share of French car market

By Terry Dodsworth in Paris

JAPANESE CAR sales in France climbed over the 3 per cent mark during May for the first time since the French Government arbitrarily set a limit on the Japanese market share at this level about three years ago.

Although there is no sign of any reaction from the authorities, Japanese registrations will now be closely monitored for the rest of the year to see if this performance was merely a monthly aberration. While gaining almost 3.6 per cent of French registrations in May, the overall Japanese market share for the first five months of the year stands at about 2.5 per cent, only slightly above the final outcome for 1979.

Part of the May rise in Japanese sales can be attributed to the unsettled market conditions, which led to a drop in total registrations of 24 per cent. Japanese cars are keenly priced in France and now appear to be benefiting from the financial squeeze on consumers.

The increase is particularly disquieting for the French producers, however, because it coincides with a period when the Peugeot group, comprising Peugeot, Citroen and Talbot, is going through a delicate phase of reorganisation.

Given the organisational changes, and fears that Talbot in particular, could lose dealerships following a 30 per cent slump in its market share, the French authorities are most unlikely to ignore a continuing performance of the kind the Japanese achieved in May. In this period, the combined registrations of the five Japanese marques sold in France—Datsun, Honda, Mazda, Mitsubishi and Toyota—went up from 4,368 units to 5,625.

The announcement of the May import figures coincided with further bleak news from Talbot, which is being forced to lay off 23,000 workers for eight days in September and October. The company took similar measures earlier this year, but the new move underlines its problems as its market share sinks to almost 5 per cent in France, compared with about 8 per cent last year.

Peking plans joint insurance company with U.S. concern

BY ROGER BOYES IN BONN

CHINA is to form a joint venture with a major U.S. insurance concern in Peking's first important excursion into the overseas insurance business.

American International Group (AIG), has announced that it will set up a joint company, the Chinese American Insurance Company, which will be 50 per cent owned by the Peoples' Insurance Company of China and 50 per cent by AIG.

A letter of intent was signed by the two sides in Peking on June 30.

Mr. C. W. Brauer, chief executive of the AIG subsidiary in West Germany, National Union Feuerversicherungsgesellschaft, said yesterday that the new company—due to come into operation on October 1 — would be active in the international insurance and re-insurance market

Clearly the company will have an important role to play in insuring trade between China and the West. The company will have an authorised capital of $25m (£10.52m). AIG has already contributed an initial payment of $5m.

AIG has long-standing links with China and was established in Shanghai as long ago as 1919. Other American companies, such as the Firemen's Fund Insurance Company of San Francisco, and Continental Corps Marine Office of America, have established co-operative arrangements with the Chinese insurance concern.

These are largely aimed at taking advantage of China's external trade and domestic project expansion, initially by picking up some of its ocean marine business, and acting as the Chinese State insurers' managing underwriter in the U.S. However, this latest move by AIG will clearly give it an unparalleled hold on the Chinese market.

Cable & Wireless wins China telephone contract

BY DAVID DODWELL

CABLE AND WIRELESS of the UK has won a contract worth more than £500,000 to supply a telephone exchange and microwave communication network linking two fast-developing export processing zones in China's south-eastern Guangdong province.

The contract, won by Cable and Wireless Systems, a wholly-owned subsidiary of Cable and Wireless, involves setting up a 600-channel telephone system between Shenzhen and Shekou, two export processing zones just over the Chinese border from Hong Kong. It has been signed with the Hong Kong-based China Merchant Steam Navigation, which administers the Shekou zone.

The telephone network should be complete by March next year, and will provide subscribers with facilities to link up with Hong Kong's domestic and international telecommunications network, and with the rest of mainland China.

China's central government in Peking has allowed the Guangdong provincial authorities to establish three export processing zones, all of them closely linked to industry in Hong Kong.

Ten companies from Hong Kong and overseas have signed contracts to set up plants in Shekou.

U.S. ruling on Toshiba ovens

TOKYO—Toshiba said it will not resume microwave oven exports to the U.S., adding that it is studying a plan to start production of ovens in the U.S.

The company was commenting on the ruling by the U.S. Commerce Department that Toshiba was selling the ovens in the U.S. at unfairly low prices.

Toshiba said it was surprised by the Commerce Department's decision and did not believe its ovens had been dumped in the market, adding that it exports a different model from the one it sells domestically.

The U.S. Commerce Department said Toshiba was selling its ovens in the U.S. at 80 per cent below the market value in Japan. Reuter

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Tyne expansion planned for ship repair company

BY RAY PERMAN, SCOTTISH CORRESPONDENT

CLYDEDOCK ENGINEERING, the Glasgow ship repair company which has made a profitable success from a failed Clyde yard, plans to expand its operations to the Tyne.

Mr. Rab Butler, company chairman and owner, said yesterday that negotiations to buy the Tyne Dock Engineering Company, which stopped trading in March with the loss of 350 jobs, should be completed by the end of next month.

Losses at Tyne Dock were £560,000 last year, but Mr. Butler is confident that with a similar no-strike union agreement to the one he operates on the Clyde, the yard will be able to show a profit at the end of its first year.

Annual figures for the Clyde operation, issued yesterday, show it made a profit of £316,000 on a turnover of £4.6m in its third year of operation.

The yard employs 310 people in an area of high unemployment. It has been profitable since it took over the business of the collapsed Glasgow yard of Alexander Stephens ship repairers.

Mr. Butler says his success is because of an agreement with shipbuilding unions. No working time has been lost because of disputes in the last three years, and the company has maintained its position as the highest paying yard on the River Clyde.

A profit-sharing scheme splits the dividend equally between the workforce and Mr. Butler, the sole shareholder. About £53,000 was distributed to workers this year with the same amount going to Mr. Butler. The rest of the profit went back into the business.

Mr. Butler said: "My agreement with the unions commits the company to providing more employment in the area. We have an expanding philosophy and we see hope for the ship repairing industry in Britain."

Clydedock has already made a bid to British Shipbuilders for Western Ship Repairers, in Falmouth, and has said it will look at potential acquisitions on other estuaries.

In the last year the Clyde yard extended its activities to larger projects, including defence contracts, and is about to start work on its largest order to date: a £1m conversion of an offshore support vessel for BP pollution control work.

Telegraph wins in libel case

By Raymond Hughes, Law Courts Correspondent

MR. CHRISTOPHER MORAN, Lloyd's underwriter and broker, has lost his libel damages claim against the Daily Telegraph.

A High Court jury yesterday decided unanimously that Mr. Moran and two of his companies had not been libelled in an article by Miss Barbara Conway, the newspaper's financial writer, published in February last year under the headline "Currency Fraud Saga Rolls On."

The jury took 85 minutes to reach its verdict on the claim by Mr. Moran, Christopher Moran Group and Christopher Moran and Company against the newspaper, Mr. William Deedes, its editor, and Miss Conway.

Mr. Justice Boreham dismissed the claim with costs.

Mr. Moran had contended that the article suggested that he had taken part in a fraudulent, illegal and dishonest scheme by which currency had been exported in breach of exchange control regulations by disguising it as a reinsurance transaction.

Lord Rawlinson, QC, his counsel, told the jury that the article had been "a form of character assassination." It was libellous because of its headline, references to illegal transactions

The newspaper argurd that there had been no suggestion that Mr. Moran or his companies were guilty of any offence.

Foundries founder as demand dips

The latest symptom of the decline in the motor parts industry is the closure of another Birmid foundry. Arthur Smith reports on the problems caused by contracting markets, a strong pound and cheap imports.

BIRMID QUALCAST'S decision to close another foundry with the loss of 500 jobs, announced yesterday, is symbolic of the rundown in Britain's motor components industry.

Mr. Terry Davies, chairman of Birmid's foundry division, says the whole components sector is confronted with short-time working and possible redundancies, as markets drop away from cars, commercial vehicles and tractors.

The ferrous foundry industry, where 50,000 workers are on short time, has been hit hard by the downturn. Around 35 per cent of ferrous castings go to the automotive industry. Birmid accounts for a third of this, with the rest divided fairly evenly between the assemblers' own foundries and other independent companies.

Reduce

The latest recession, however, merely accelerates a trend evident for nearly a decade. Birmid, one of the largest foundry operations in Europe, has cut ferrous capacity over the past seven years from 300,000 tonnes a year to just under 200,000 tonnes. Four foundries have been closed in the past 12 months, with the loss of more than 1,760 jobs.

Like other components suppliers, Birmid has tried to increase exports and reduce dependence upon BL—the state-owned concern takes 15 per cent of the foundry division's annual £130m turnover.

Direct exports have risen to £12m a year. But Mr. Davies reports that further growth is difficult, because of the strength of sterling and the excess ferrous foundry capacity in Europe and the United States.

Against such a background, he argues that low-priced imports, particularly from Spain, Brazil and India, also pose a problem and have been a factor in closures over the past 12 months.

The main reason for the decision to shut Dartmouth Auto Castings number two foundry is the recent dramatic fall in demand from the tractor industry. With the plant operating at less than half capacity, Birmid believes it can switch production to other parts of the group. Another factor is that more than £2m will have to be spent to improve emission controls to comply with health legislation.

Dartmouth Auto Castings number one foundry, supplying the car industry, was shut just 12 months ago, with the loss of 660 jobs. The previous month Midland Motor Cylinder cut 325 jobs by shutting its West Works, which provided engine blocks for cars. The Roebuck Lane foundry, providing cylinder heads mainly for the diesel market, was shut two months ago, and 280 workers made redundant.

Mr. Davies says: "The review of ferrous foundry capacity has to be continuous. The market remains uncertain, and I cannot yet say it is the end of closures. However, I believe we have now slimmed down to the point where we can operate profitably. We are a smaller but stronger operation."

On the brighter side, Mr. Davies reports that Birmid's light alloy foundries—which supply around 15 per cent of UK output—are benefitting from the switch from ferrous castings to aluminium. The trend reflects the growing use of aluminium for components such as engine blocks and cylinder heads.

Decision

Around £7m is currently being invested in the group's three light alloy companies. "We have just secured another chunk of European business in the die-cast aluminium industry. But it is premature to reveal details." Mr. Davies said last night.

An indication of the tough line now being taken by employers was the decision to close Birmetals and dismiss the 900 workers rather than suffer labour problems. The company, which supplies aluminium alloys and other light metals to a wide range of industries, had been making losses for several years.

"The attitude of the labour force was just the last straw," according to Mr. Peter Armitage, chairman of the division which embraces Birmetals.

The 700 manual workers settled for a 15 per cent wage increase last August, with the promise of a review in February, depending upon trading conditions. In pursuit of a demand for a further 20 per cent increase, they refused to load and despatch products, and production quickly came to a standstill.

The management sent all workers home for a month. On recall, the action continued and all 700 manual employees were given dismissal notices, Mr. Armitage said.

He denies that management over-reacted. "We have a duty to operate a profitable and efficient business. We had no choice but to take the action." Around 600 of the workers have already gone.

Birmid's other main operating divisions—home and garden equipment and heating — now make a fairly steady profit. Lawnmowers provide most of the turnover in the garden equipment operation, but ladders and kitchen furniture are also manufactured. The Qualcast share of the UK lawnmower market has dropped from the 85 per cent of the late 1960s, but the company is confident it can continue to hold around half the market.

The lawnmower trade is clearly seasonal and dependent on weather. Partly to help balance the cyclical nature of the business, Potterton, manufacturers of boilers and heating systems, was acquired in 1973.

Pattern

Birmid missed the benefits of the central heating boom when energy costs rose, but has recently completed a rationalisation programme to concentrate Potterton manufacture at one site rather than two.

The Birmid group, based at Smethwick amid the traditional Midland metal forming industries, is conscious that it must diversify. Mr. Alan Emson, the finance director, says: "To change the pattern of activities will clearly take time, and we cannot be too specific at this stage. But you can be sure the Board is actively looking for new opportunities."

Hunt must pay BP £17m, court rules

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

MR. NELSON BUNKER HUNT has lost his appeal against a High Court judge's order that he must pay BP Exploration (Libya) £17m.

The Court of Appeal yesterday also dismissed a cross-appeal by BP that the award should be increased.

The case concerned a highly profitable joint venture by Mr. Hunt and BP to exploit a Libyan oil concession granted to Mr. Hunt. BP's, and subsequently Mr. Hunt's, interest was nationalised and BP claimed that its contract with Mr. Hunt had been frustrated.

Under the 1943 Law Reform (Frustrated Contracts) Act, BP asked the High Court to award it a "just sum" to take account of the benefit Mr. Hunt had received from BP's efforts prior to nationalisation.

Lord Justice Lawton said that Mr. Hunt had argued that he should not have been ordered to pay anything because a clause in his contract with BP had absolved him from any liability.

But, said the judge, that clause, like the remainder of the contract, had ceased to have any effect because of nationalisation.

What Mr. Hunt had been ordered to pay was not something due under the contract, but was what was recoverable on a claim under the 1943 Act.

Both Mr. Hunt and BP contended that Mr. Justice Robert Goff had assessed Mr. Hunt's liability under the Act on the wrong basis.

Lord Justice Lawton said that the judge had worked on a reimbursement basis; ensuring that, as far as was practicable, BP got back what it had paid out on Mr. Hunt's behalf before nationalisation.

BP had provided expertise, its capital resources, staff and money, for which it was to be reimbursed out of Mr. Hunt's share of the oil.

By the time of nationalisation BP had been reimbursed to the extent of about two-thirds of what was due to it.

The Act required the judge to fix a just sum. It could not be said that he had gone wrong by making his assessment in the way he did, said Lord Justice Lawton.

Euro-law defence attempt defeated by ICI

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

IMPERIAL Chemical Industries has defeated any attempt by Berk Pharmaceuticals to raise a Euro-law defence to a passing-off action being brought against it by ICI.

Berk wished to contend that ICI's claim was barred by Article 86 of the Treaty of Rome on the ground that ICI was abusing its dominant market position in relation to the heart disease drug propranolol.

In the High Court yesterday, Sir Robert Megarry, the Vice-Chancellor, ordered that defence to be struck out.

ICI have manufactured and marketed propranolol, under the name Inderal, in a distinctive "get-up" of shape and form since 1965.

Its patent expired last year and, shortly afterwards, Berk began marketing the drug, with an identical get-up, under the name Berkolol.

Berk contended that there was no passing off because, it said, the get-up was distinctive and descriptive of the drug itself and not of its manufacturer.

It also contended that ICI was charging unfairly high prices for Inderal, which was an abuse of its dominant position and which adversely affected the competitive structure of the market and trade between member states of the EEC.

The Vice-Chancellor accepted ICI's argument that there was no connection between the alleged breach of Article 86 and the right claimed by Berk to imitate ICI's get-up.

If there were an abuse by ICI, the EEC had adequate powers to deal with it; but it did not follow that ICI could not prevent passing-off.

Nor could the judge accept that, by charging high prices, ICI was affecting trade between EEC states. Berk said that the probable consequence of the abuse was that its business in propranolol, and that of other competitors, would be eliminated or substantially restricted.

How, the judge asked, could that conceivably be the result of ICI charging too much for its tablets? The higher ICI's price, the better the prospects for a competitor.

The Euro-defence was not arguable and should be struck out, he said.

Merseyside has highest level of alcoholism

BY MAURICE SAMUELSON

MERSEYSIDE has the highest level of alcoholism in England and Wales, according to a survey of heavy drinking published yesterday.

It tops a list of 42 districts mentioned in the annual report of the National Council on Alcoholism.

The report says social and health problems from drink are generally worse in districts north of a line from the Severn to the Wash than in areas south of the line, except for Greater London, which follows Merseyside in the league table.

However, when deaths from cirrhosis of the liver, usually associated with steady drinking over a number of years, are considered, southern and south-western areas have worse than average figures.

Mr. Derek Rutherford, the council's director, says this suggests cirrhosis is a "disease of affluence."

After Merseyside and Greater London, the rest of the "top ten" hard drinking areas were Northumbria, Greater Manchester, Cleveland, Durham, Lancashire, Cumbria, West Yorkshire and West Midlands.

Brinkmanship at the Observer

John Lloyd, Labour Correspondent, looks at the background to the Observer dispute and the union involved, the National Graphical Association.

THE National Graphical Association, the print craftsmen's union, is set to indulge in brinkmanship with an oil-rich North American company.

At its conference last month, the union celebrated its victory over Times Newspapers. Much of that victory was owed to the way it detached Lord Thomson, chairman of the Thomson Organisation, from the Times Board.

It then persuaded him to drop the commitment to break the NGA's monopoly of typesetting. Will the union be able to do the same with The Observer, owned by Atlantic Richfield?

This is unlikely. First, for the three-and-a-half years of ownership The Observer has been in the red. Now, the U.S. company wants to show its stockholders a profit.

Second, the paper has said it is not fighting on an issue of principle, as the Times did. Observer executives have kept a low profile, even when tempted to reply to Mr. George Jerrom, the NGA's national officer with responsibility for Fleet Street. The paper says it wants a reasonable deal on new composing and printing equipment, one which will allow it to be efficient and break even.

If there is an issue of principle, it is on the union's side. Negotiations taking place since last year have been concerned with a printing method known as collect printing. The process, 50 years old but largely unused, allows 16 pages to be printed on one revolution of the press. It uses existing equipment and is particularly suitable for large newspapers.

This is new to national papers—though it is in use for the Times supplements—and the NGA wants the best terms at the Observer so that further Fleet Street agreements will have a high base.

Third, and probably most important, early indications are that it will fight alone. The Society of Graphical and Allied Trades, whose general secretary, Mr. Bill Keys, is chairman of the TUC's printing industries committee yesterday accused the NGA of previously costing SOGAT thousands of jobs and of being a "kamikaze pilot."

The essence of The Times dispute was union unity. This dispute has started with split ranks.

Lastly, there does not appear to be much between the two sides in material terms. The Observer has already settled with NGA composing room men. To the 50 or so machine managers, it has offered £92 for a 13-hour shift over Saturday night and Sunday morning, with an extra £3.25 for each set of eight pages above 48.

The NGA is claiming £7.20 for any size of paper larger than 48 pages, and wants the 13th hour treated as an extra one, not included in the £92 payment.

The Observer says the "consequential effects"—presumably on other print unions which would seek to preserve differentials—would cost £250,000 a year.

The next 90 days, in which time allotted for redundancy notification expires, will show increasingly just how steady each side's nerve is.

Mediation will no doubt be sought. SOGAT has called for Mr. Len Murray, TUC general secretary, to take on the task. The NGA has talked informally to Mr. Jim Mortimer, director of the Advisory, Conciliation and Arbitration Service. Mr. Ken Ashton, general secretary of the National Union of Journalists, talked yesterday of the need for the unions to meet the Atlantic Richfield board.

Purchase by another wealthy corporation or individual may be mooted, though foreign investors may be wary. Of talked-about possibles, Mr. Rupert Murdoch, chairman of News International, and Sir James Goldsmith, chairman of Cavenham and publisher of NOW! magazine, were abroad yesterday. Associated Newspapers, keen to acquire a Sunday title, would make no comment.

Council's Olympics donation 'valid'

BY ROBIN PAULEY

HACKNEY COUNCIL'S decision to give £1,000 towards the costs of sending a British team to the Olympic Games in Moscow was "perfectly valid," a High Court judge said yesterday.

Mr. Justice Pain dismissed a claim by Mr. Joe Lobenstein, the only Conservative member of the council, and five other ratepayers for an order stopping the council from donating £1,000 to the British Olympic Association.

The judgment could affect other councils including Coventry, Birmingham, Wolverhampton and Crawley which are among 20 councils still considering whether to give money to the association. About 40 other councils have already supported the appeal, which still needs £100,000.

The judge said it was reasonable for the council to decide it was "in the interests of the borough" to make a modest contribution even before it was certain that two Hackney residents—a canoeist and a diver—would be going to Moscow.

The council's decision fell within the Local Government Act 1972. This allowed councils to incur expenditure which, in their opinion, was in the interests of their areas and inhabitants. The judge said he was impressed with the "civic pride" arguments put forward by the council.

The council said it would delay handing over the money for three days to enable an appeal to be considered. The judge said any appeal should be heard at the same "break-neck speed" as the action had been brought to court.

Perkins Engines to cut shopfloor jobs by 10%

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

PERKINS ENGINES plans to cut its 6,500 strong production workforce at Peterborough by about 10 per cent as part of an overall programme to increase the company's competitiveness.

Discussions have started with the unions about "changing methods of working," according to a statement yesterday. Mr. Michael Hoffman, chairman, said: "We must not flinch from taking all the actions necessary to ensure that we are one of the survivors of the current crisis facing British industry."

Perkins operates in highly competitive international markets. Its prices have been getting increasingly out of line with those of other producers, particularly in Japan, but also in West Germany and the U.S., as a result of the strong pound, high inflation and high interest rates. Perkins says it would have needed to raise its prices by 50 per cent in the U.S. market since 1978 if it was to maintain margins, but this would be much more than any increase made by its competitors.

Demand for Perkins' diesel engines has been hit badly this year by the slump in agricultural machinery sales, particularly in the U.S. A subsidiary of Massey-Ferguson, it supplies engines to the parent company's plants in North America. Production of engines at Peterborough is already down by about 5 per cent this year on a target output of 200,000 engines.

Much of the workforce was put on a four-day week earlier this year because of the downturn in demand, and some have since gone on to a three-day week. Perkins employs about 9,000 in the Peterborough area, of which 6,500 are production workers. A programme of staff redundancies was carried out earlier this year.

Shorter, sharper recession predicted

BY DAVID MARSH

THE DEEP recession in the British economy which started in the first quarter may reach a trough around the turn of the year, sooner than was expected, according to forward-looking indicators published yesterday by the Central Statistical Office.

Previous figures had been pointing to an upturn in the middle of 1981. But revisions to past statistics, together with a set of favourable leading indicators for last month, now suggest an earlier recovery.

Publication of the CSO indicators follows other statistics this week showing an exceptionally steep fall in industrial production and import demand early this year. This reinforces the impression that the recession might be sharper but shorter than the Government and other economic forecasters had expected.

The CSO warns against drawing firm conclusions from its latest figures, as they are partly based on incomplete data. But its index of longer leading indicators seems now, after the recent revisions, to show a trough at the end of last year, following a steep fall.

Sixth rise

Since the longer leading index looks about 12 months ahead to turning points in the economy, this suggests the recession may bottom out around the end of this year.

The longer leading index for June rose quite sharply as a result of an increase in share prices and fall in interest rates. This is the third successive monthly rise, and the sixth since December. The index looks likely to rise again this month because of the cut in Minimum Lending Rate two weeks ago and the renewed firmness of the equity market.

Another factor behind the rise in the longer leading indicators was an improvement in company liquidity in the first quarter of this year.

The index of shorter leading indicators, which looks ahead to turning points in six to eight months, fell again in May, depressed by a drop in car registrations, consumer credit and trading profits. To confirm an expectation of a rise in economic activity in the first half of next year, this index would have to start rising by the autumn.

The index of coincident indicators, which is broadly in phase with the business cycle, fell in May after lower retail sales and manufacturing output.

Capital problems blamed on management

By Christine Moir

COMPETENT MANAGEMENT raises money from traditional City sources, says Mr. Alan Barrett, who is retiring as managing director of Equity Capital for Industry. "It is only incompetent management that has trouble raising capital."

Mr. Barrett, leaves Equity Capital after nearly four years with the organisation, set up by the City in the wake of the 1974 oil crisis to help companies who claimed to have found a gap in the traditional supply of capital.

"We started by thinking that what was needed was money," he said. "Since then we have investigated several hundred medium-sized companies.

"It has now become clear that where companies have been unable to raise money the central problem is one of management."

These companies needed money, he agreed, but they needed management change first.

The organisation would continue to exist at least until "the full cycle" had been reached, which might be in two years or so.

One interesting change in companies' approach to the present recession was that they were cutting stock, staff and overheads. In the post-1974 recession companies "tried to borrow their way out of trouble. The new approach is much healthier."

Mr. Barrett is returning to industry. He will continue to chair Hawkins and Timpson, the wire, rope and leisure group, in which Equity Capital has a significant interest. He also has private business interests.

The new managing director will be Mr. Jim Findlay, present deputy managing director, who was seconded from the Prudential insurance company last year.

Growing competition by banks worries building societies

BY MICHAEL CASSELL

WHEN building societies next consider a cut in interest rates, they will have to take into account substantially higher tax bills and growing bank competition for personal deposits, Mr. Leonard Williams, chief general manager of the Nationwide Building Society, said yesterday.

Mr. Williams, who was announcing the society's half-yearly results in London, said the recent cut in minimum lending rate gave grounds for optimism that interest rates generally would soon decline further.

But he emphasised that building societies currently faced growing pressures in terms of interest rates which would have to be considered when they came to consider their response to further falls in competitive rates. Mr. Williams said that the societies expected a substantial increase in the rate of composite tax which they pay on behalf of their investors and which, in isolation, could imply a rise in the mortgage rate of between ¼ and ½ per cent.

Mr. Williams is also chairman of the Building Societies Association. He made it clear that the societies would be anxious to reduce their own rates as soon as possible; but he stressed they would need to be satisfied that adequate margins existed to cover operational costs and that a high inflow of savings could be restored.

His comments will be interpreted as part of a move designed to prepare the ground for a cut in building society interest rates later this year—provided that other rates fall—but one which is likely to be fairly limited. But Mr. Williams accepted that the societies are now broadly capable of matching mortgage demand for the first time in several years, and that the industry could face difficulties unless it fully followed the other downward rates if it could be shown that they had no short-term need for increased mortgage funds.

In the first half of this year, the Nationwide managed to increase its mortgage lending—unlike some of its competitors. Despite higher house prices, the society advanced £419m against £377m in the same period a year earlier. Actual loans totalled 30,098 against 30,264 during the first six months of 1979. Assets rose by 8.7 per cent to £4.27bn.

● Mortgages are now "in plentiful supply," according to Mr. Ron King, president of the House-Builders Federation. Mr. King, who was commenting on his federation's latest state of trade inquiry, said that the new house buyer was now more favourably placed than at any time since 1974.

The inquiry shows a sharp drop in demand for new private housing in the three months up to the end of June, with nearly three-quarters of member companies reporting diminishing interest from buyers.

Mr. King commented: "Whether a first-time purchaser or someone selling an existing house, anyone buying a new home will find mortgages are plentiful and prices which will never be as low again. The industry's bad news is the purchaser's good news."

ERF three-day week as 95 lose jobs

BY JOHN GRIFFITHS

ERF, THE heavy truck manufacturer, yesterday announced 95 redundancies among its 1,700 workforce, on the same day as the receivers moved into Fodens, a similar heavy truck concern just a mile from the ERF plant at Sandbach, Cheshire.

ERF blamed the redundancies on the steep downturn in demand for its vehicles, a situation now affecting manufacturers in varying severity across the entire motor industry. ERF's 800 production workers have been on a three-day week since returning from the annual holiday two weeks ago and will remain at the reduced production level until September at least. Output has dropped from a peak 80 vehicles a week at the start of the year to about 40.

Meanwhile, Mr. Roy Richardson, joint chairman of a Midlands industrial property and motors group, was continuing with his plans to mount a rescue bid for Fodens, which called in the Receivers on Monday night because of "substantial" recent losses and the poor sales prospects.

Mr. Richardson, whose interests include Fodens' largest Midlands distributorship with sales of about 200 trucks a year, has called a meeting of all Fodens' 21 distributors for tomorrow with a view to persuading them to assist the company's rescue.

The 30 companies in the private Richardson group are said to have an annual turnover of about £30m a year and Mr. Richardson has said his own company may be prepared to put in £10m.

The precise state of Fodens' finances will not become clear until the Receivers, Sir Kenneth Cork and Mr. Peter Livesey of Cork Gully, have examined the books.

Mr. Richardson said yesterday he thought £18m, "possibly less," could save the operation. He was hoping to arrange an early meeting with the Receivers, who have said they intend to keep Fodens operating while a buyer is sought.

The Fodens plant is modern and could well be attractive to an overseas manufacturer seeking a toehold in Europe.

The long-standing precariousness of Fodens finances — it has reported losses for the past 18 months — inevitably has led to interest about its possible purchase by other makers: the trucks themselves have a high reputation in the industry.

Granada 'not trying to claim privilege'

GRANADA TELEVISION was not trying to claim a privilege for the Press in seeking to conceal the identity of the British Steel Corporation employee who leaked confidential corporation documents, a QC said in the House of Lords yesterday.

Mr. Patrick Neill said Press immunity against having to disclose sources was for the benefit of the public. It was invoked by the Press when necessary to carry out its function of providing the public with information.

Mr. Neill was continuing Granada's final appeal against court rulings that it must name the source of the leaked documents, which formed the basis of a World in Action programme broadcast during the steel strike.

The law lords were shown the programme. Mr. Neill said that in the Court of Appeal Lord Denning had strongly criticised Granada for behaving irresponsibly and abusing its power.

Lord Denning had said that the leaked documents had been used by an interviewer to "confound" BSC, the Government, and Sir Charles Villiers, BSC's then chairman.

Part of Lord Denning's criticism had been linked to the programme's presentation. Granada considered this criticism unfair.

The hearing continues today.

Small claims plea

A CALL FOR a simpler form of court procedure to deal with disputes between shoppers and traders was made yesterday by the National Consumer Council.

The Council, in evidence to the Lord Chancellor's Office which is reviewing legal procedures for small claims, says a separate small claims division should be set up within each County Court. This would deal only with disputes involving sums up to £500.

Baby deaths group

A PRESSURE group, Maternity Alliance, was launched yesterday after the disclosure by the Commons social services committee that 5,000 babies die unnecessarily in Britain each year.

The group, based on the National Council for One Parent Families, Child Poverty Action Group and the Spastics Society intends to ensure that the committee's recommendations on improving maternity and ante-natal services are not ignored.

Terminal project

A £2m PASSENGER and car terminal is to be built at Larne, Northern Ireland, by the port owners, European Ferries.

The European Regional Development Fund is providing £1m and the terminal will be used by Townsend Thoresen, also owned by European Ferries, and by British Rail Sealink.

'Zone' applications reach 24

BY ROBIN PAULEY

A TOTAL of 24 local authorities in England have applied to the Government for enterprise zones to be established in their areas.

The Government proposes to establish one zone in each of Northern Ireland, Scotland, and Wales plus about four in England. Two of the English zones are expected to be in London—one within the docklands urban development corporation and one outside, probably Wandsworth.

The zones will be established on an experimental basis for 10 years. They will not be more than 500 acres each and will enjoy special benefits including, exemption from development land tax, no rates for commercial and industrial premises, 100 per cent capital allowances, and simplified planning procedures.

The authorities which have put in bids, the results of which are due to be announced before the summer Parliamentary recess, are:

North east: Newcastle, Gateshead, north Tyneside, south Tyneside, Sunderland, Hartlepool, Middlesbrough, and Stockton-on-Tees. **North west:** Liverpool, Salford and Trafford.

Yorkshire and Humberside: Sheffield and Wakefield: **East Midlands:** Corby: **West Midlands:** Wolverhampton and Dudley.

London: Islington, Hammersmith, Newham, Tower Hamlets, Hackney and Wandsworth.

South West: Bristol and Kerrier (Cornwall).

Telford Development Corporation also put forward a proposal for an enterprise zone within the new town.

Lost jobs warning for textiles

BY RHYS DAVID

THE GOVERNMENT was warned again yesterday that a grave crisis was enveloping the textile industry.

A British Textile Federation delegation led by Mr. Leonard Regan, its president, met Ministers at the Departments of Trade and Industry. It described as "unparalleled" the slump in home demand in the past three months.

It said that the rate of job loss in the industry would increase in the next few months, particularly in companies in which eligibility for the short-time working scheme was expiring. Some 40,000 jobs were lost in textiles in the year to April, and thousands more have gone since.

The delegation's main plea was for a government commitment that the industry would not be allowed to fall below a certain minimum production level. This, it said, was essential if confidence was to be restored. The Ministers rejected the plea on the grounds that such a commitment would be contrary to UK Community and international obligations.

Mr. Ian MacArthur, director of the federation, said that the delegation stressed that companies closing were in many cases the most modern and enterprising ones.

"Some of the companies manufacturing high-quality speciality products have maintained their export success, but most firms in the industry are fighting desperately to hold on to their export markets despite the enforced loss of competitiveness due to high sterling and the high UK inflation rates."

He said that the Ministers indicated that the Government would be prepared to press the EEC for more stringent enforcement of the GATT Multi-Fibre Arrangement. "Useful discussions" took place on the federation's submission earlier this year of proposed changes for the next round of the Arrangement.

Mather and Platt to cut 300 jobs

MATHER AND PLATT has announced plans to reduce the labour force at its two Greater Manchester factories by 300 in three months—the company's second recent cutback.

The textile finishing machinery-making plant at Radcliffe, near Bolton, will be worst hit. More than a quarter of the workforce will be affected—160 out of 600.

At the main works at Newton Heath, Manchester, 133 of the 2,300 employees will lose their jobs — mainly non-productive workers in the section specialising in pumps and electric motors.

The factory workers have been given 90 days' notice and the management said yesterday talks were proceeding "amicably" with the eight unions involved.

Lack of orders is blamed for the cutback. Mr. Stanley Clough, the company's personnel director, said yesterday: "Because of the trade recession, high interest rates, the strength of the pound in foreign markets and lack of investment in this country, orders have fallen and we see no alternative to retrenchment."

Oil platform job

BECHTEL GREAT BRITAIN has won the engineering and management contract for the design and construction of the "B" production platform for the North Sea's Beryl oil field.

Mobil North Sea, the operator for Beryl, aims to start production from the platform in 1984.

Slack demand for Old Masters

SALEROOM

BY ANTONY THORNCROFT

SOTHEBYS' major summer sale of Old Master paintings underlined the caution in the art market at the moment. The total was £1,236,250 with a high bought-in percentage of 38. The major lot, a typical village scene by Pieter Brueghel the younger, was unsold with the bidding reaching £60,000. The top price paid was the £42,000, plus the 11.5 per cent buyer's premium and VAT, for a river landscape by Salomon van Ruysdael.

Other high prices were the £40,000 for a view of Venice by Luca Carlevaris; £38,000 for another Venetian view by Carlevaris; £34,000 for "A lady and gentleman halting by a river" by Philip Wouwermans; and, £33,000 paid for two caprices by Guardi and also for "A banquet in the park of a country house" by Esaias van de Velde.

Top price at Christie's was the £7,200 paid for a late 17th century Florentine harpsichord. A French violin of 1752 by Louis Guersan sold for £3,000. The musical instruments sale made £59,912. Top price for sculpture was the £3,500 paid for a 19th century French ivory group of Boreas and Orythyia while in the Japanese sale Woods Wilson, the London dealer, acquired a rectangular deep box and cover of the 19th century for £5,500. A pair of large Arita blue and white bulbous apothecary's bottles of around 1675 sold for £4,500.

At Stanley Gibbons, the late Adam I. Hunter's collection of New Zealand postal history totalled £47,739. A letter sent to England in 1845 giving details of the British attack in the first Maori War went for £1,200.

Edmund Penning Rowsell writes: The third, self-proclaimed world wine fair at Bristol opened to the trade yesterday at the Exhibition Centre. The public will be admitted from Friday until Saturday week. Most of Friday will be devoted to a Connoisseur's Day, and 3,000 amateurs have already enrolled themselves under that banner at £10 a ticket to taste rare wines otherwise carefully kept below the exhibitors' counters.

A further 58,000 wine drinkers have already paid £4 for entry and rather less exalted tasting opportunities.

Markedly larger this year, the show has spread to the other side of St. Augustine's Reach, linked by a reproduction of the Rialto Bridge, whose Venetian image is filled out by an imported gondola.

TV committee to oversee welsh language output

BY ROBIN REEVES, WELSH CORRESPONDENT

A TELEVISION committee to oversee Welsh language broadcasting was announced by Mr. Nicholas Edwards, Secretary of State for Wales, in the Commons yesterday.

Mr. Edwards stressed that if the committee appointed by the BBC and the Independent Broadcasting Authority, decided the Government had been wrong in its decision not to put all Welsh language programmes on one channel, the Government would "be prepared to make changes as necessary."

Mr. Gwynfor Evans, President of Plaid Cymru, described the move as a step in the right direction. But it was not enough to call off his threatened hunger-strike due to start on October 6, he said. It failed to meet the central point of his threatened protest which was the setting up of a unified Welsh service on the new fourth channel.

Earlier, the Welsh Secretary of State made a direct appeal: "I think I am entitled to ask Mr. Evans whether he really believes that the need to switch channels from time to time is something for which it is worth risking his life and is an adequate reason for provoking lawlessness and violence in Wales."

The Welsh Nationalist leader is demanding the setting up of a 25 hours a week Welsh language television service on the new channel when it comes into operation in 1982—as originally promised by the Government in its manifesto, and in the Queen's Speech after the General Election.

This would be in place of the present arrangement whereby 14 hours of Welsh programmes a week are interspersed on existing channels. This is regarded as inadequate by many Welsh speakers, and a major irritation by many monoglot viewers.

Foreign 'phone calls move

BY JASON CRISP

INTERNATIONAL private telephone circuits are being given priority by British Telecom over internal requirements, to stem a flood of complaints from major companies over exceptional delays in providing private circuits in some areas, particularly the City.

British Telecom, the telecommunications side of the Post Office, said yesterday that waiting time for private international circuits, mainly used by multinationals, insurance brokers and banks, would be reduced to 13 weeks by the end of this year.

Communications managers in the City say the present wait is more than a year, and worse than any other major centre in the world.

The delay is caused largely by a backlog of work due to industrial action in the past two years, particularly last year's 19-week strike, by computer staff.

Speaking at Mondial House yesterday Mr. Peter Benton, managing director of British Telecom, said that revenue from the international side of the business was growing at 25 per cent a year. Last year it was £650m and accounted for 20 per cent of telecommunications total income. It trebled in size in ten years.

'Healthy future' for hotels despite inflation

By James McDonald

ALTHOUGH the hotel industry's tourist business is in the doldrums, there could be a healthy future for hotels investing in facilities for less vulnerable markets, such as conferences, businessmen's needs and weekend breaks.

This view was advanced yesterday by Mr. Douglas Barrington, chairman of the national council of the British Hotels Restaurants and Caterers Association, at the association's annual meeting in London.

Worldwide recession, inflation, escalating costs, VAT and a shrinking tourist trade were "bleeding" hoteliers, he said. But provided the industry could weather the recession without too great a loss of profitability, and could use the slack period for refurbishing and renewal, "not all is gloom."

On the credit side, the English Tourist Board was predicting that about 1m more British people would take holidays at home this year. "We must keep our fingers crossed that it will actually happen," he said.

But there has been a poor start to the tourism season in England with a good deal of price resistance, according to reports from the regions to the English Tourist Board.

"Bad weather at the start of a season always affects advance bookings, but the general feeling is that business will pick up in the later summer months and in the early autumn," said Mr. Michael Montague, chairman of the ETB, in Yorkshire yesterday.

● Crest Hotels is offering reduced rates at 50 of its hotels to Automobile Association members.

Sir Richard Powell dies, aged 70

SIR RICHARD POWELL, director-general of the Institute of Directors for 20 years until his retirement in 1974, died yesterday aged 70.

Under his directorship the institute's membership increased fivefold. It became well-known for its annual conventions at the Albert Hall.

Describing his death as "a great blow," Lord Erroll of Hale, the institute's president, said that Sir Richard had masterminded successful free enterprise campaigns, culminating in the widely-publicised plea in 1959 against nationalisation of the top 500 industrial companies.

"Sir Richard's commanding presence and personality, his great drive and energy and above all the superb relationship he built up with other people, not least his staff, maintained the recognition and authority of the institute on the national scene."

Sir Richard, who died in London, had married for a second time earlier this year, following the death of his first wife. He leaves a son and daughter.

Sir Keith dilutes his dogma

BY PHILIP RAWSTORNE

SIR KEITH JOSEPH'S doctrines aroused a few doubts on the Conservative backbenches in the Commons yesterday.

The Secretary for Industry's decision to relax the Post Office monopoly—and threat to remove it—was warmly welcomed by his disciples.

But his claims that the moves would stimulate greater efficiency and safeguard the interest of the customer failed to convince all the faithful.

The Post Office monopoly was a privilege not a right and had to be continually justified by the quality of its service, Sir Keith pronounced.

Some, responded Mr. William Benyon (C., Buckingham), believed the investment needed to secure that quality could only be achieved by a monopoly.

And if the profitable privileges were removed, what would happen to the unprofitable duties of maintaining sub post offices in rural areas? asked Mr. Michael Neubert (C., Havering, Romford).

Sir Keith prudently diluted his dogma. "I do not want to exaggerate the extent of the reductions in the monopoly," he said.

The significance of his move was in taking the powers to remove it at some time rather than any immediate reduction.

Even then, Mr. Barry Henderson (C., Fife E) warned the Government's measures would be closely scrutinised to ensure they did not have an adverse effect on the rural areas.

Labour MPs wasted no time in scrutinising Sir Keith's actions to decide that he was mad.

The Cabinet might be able to adjust to his problems of mental balance, but why should the country suffer? Mr. Andrew Faulds (Lab. Warley E.) declared.

Labour MPs clamoured that Sir Keith had admitted the postal services had shown a marked improvement; that everyone from the Monopolies and Mergers Commission to the Post Office Users' Council agreed; that every other country had a State-run postal monopoly, frequently heavily subsidised.

Why did Sir Keith think he was right and everyone else wrong? Mr. John Silkin asked.

"I am not responsible for postal services abroad," Sir Keith retorted. "The service here has improved. It is not yet good enough."

With studied contempt, he sat down—and only the storm of Labour protest brought him back to his feet.

The Post Office service to the customer had been unsatisfactory. It had become less unsatisfactory."

He was astonised at the lack of Labour concern for the customer. "The postal service exists to serve the public not the Post Office," he asserted.

Sir Keith showed a certain pride in coining that catchphrase.

He listened impatiently to Labour's condemnatory responses. "A pirates charter," said Mr. Silkin. . . "A vortex of destruction," said Bob Cryer. . . "A mad vendetta against the public sector," said Mr. David Winnick.

Such rhetoric merely debased the language, Sir Keith said in casual dismissal.

Joseph announces curb on Post Office monopoly

BY IVOR OWEN

POWERS TO BE taken by the Government to break the Post Office monopoly in delivering mail will enable competition to be introduced in any specific sector where the consumer is not being provided with an adequate service, Sir Keith Joseph, the Industry Secretary told the Commons yesterday.

Labour MPs reacted angrily to the catalogue of initial changes which he announced, while some Tory backbenchers voiced concern about the possibility of them leading to a deterioration in post office services in the rural areas.

Sir Keith's blunt warning that the Government will be ready to introduce competition in any other field where the Post Office consistently fails to meet the needs of its customers incensed his Labour critics.

"A postal strike breaker's charter," stormed Mr. Charles Morris (Lab. Manchester Openshaw) who is sponsored by the postal workers' union.

He bitterly complained that all the bodies which had investigated the Post Office, including a Select Committee of the House of Commons, and the Post Office Users' National Council (POUNC) had come down against breaking the monopoly in mail deliveries.

"What makes you think that you are right and they are all wrong?" he demanded.

Sir Keith, who apparently failed to appreciate Mr. Morris's reference to POUNC was jeered from the Labour benches when he replied: "You gave a long catalogue but you never once mentioned the customer."

Labour antagonism towards Sir Keith mounted when he made it clear that it was proposed that the powers to introduce competition into further areas would rest in his hands.

He explained: "I would intend to use them in the event of industrial action within the Post Office which resulted in a cessation or serious decline in the quality of service

"I would also use the powers if, after due warning, the Post Office failed for reasons within its control to satisfy me as to its performance in serving the public."

Sir Keith gave an assurance that in deciding whether to use these powers he would take into consideration the Post Office's record in relation to productivity, unit costs, quality of service to the customer and its financial target.

Sir Keith announced that he would be having immediate discussions with the chairman of the Post Office on whether the targets for the quality of service of first and second class mail were sufficiently rigorous

To Tory cheers he maintained that the measures to be taken by the Government would stimulate greater efficiency within the postal service.

"Taken together, they clarify the law, open up to competition some parts of the postal monopoly and safeguard the general interests of the customer by making it clear that the letter monopoly is a privilige which the Post Office needs continually to justify through the quality of the service it provides"

Sir Keith acknowledged that since the summer of last year when there was wide-spread criticism, the quality of service to the customer as measured by the statistics furnished by the Post Office had shown a marked improvement

The improvements had been particularly apparent in April and May this year and the service was now close to the Post Office's own target

Mr. John Silkin, Labour's shadow Industry Minister, maintained that Sir Keith's admission that the Post Office had been providing an improved service in recent months showed that the decision to break the monopoly was unjustified.

He described the Government's proposals as a "pirates' charter" and castigated Sir Keith — "The prophet of Government non-intervention" —for proposing to hold powers to extend the areas of competition in mail deliveries in his own hands.

"Those hands have been pretty guilty, in messing about with British industry over the past 14 months," he said.

Mr. Cyril Smith (Lib., Rochdale) accused the Government of "hiving off" the profitable sections of the Post Office's business and asked to what level the service would have to fail before further areas of competition were opened up.

Charles Morris (left) condemned the plans as a postal strike-breaker's charter. John Silkin called the proposals a pirate's charter.

SPECIFIC AREAS TO BE OPENED UP TO COMPETITION

SPECIFIC areas which will be opened up to competition under the legislation planned by the Government are:

- Time sensitive/valuable mail. Private operators will be free to carry such mail provided they charge a minimum fee, initially £1, subject to review by the Industry Secretary.
- Document exchanges. At present the document exchanges established in a number of the larger cities are able only to operate an exchange of mail at a common centre, and may not transport mail in bulk between those centres. The law will be changed to enable them to do this.
- Christmas cards. Charitable organisations will be allowed to deliver Christmas cards.
- Definition of a letter. The Government intends, with the help of the Post Office, to specify that a number of items are excluded from the definition of a letter, so that those wishing to compete with the Post Office will not be deterred by confusion about the precise extent of its exclusive privilege.
- Part carriage by private operators. Law will be changed to allow that, where a letter at some stage goes through the Post Office network, it my be carried for part of its journey by private carriers, provided that it is first stamped. This will enable the large customer some freedom to avoid his mail being handled in those parts of the Post Office network known to give rise to delays.
- Delivery by wholly owned subsidiary. At present, there is no obstacle to individuals or companies delivering mail on their own account, but it appears that a wholly owned subsidiary cannot deliver mail on behalf of its parent, or of other companies in the same group. The law will be changed to rectify this anomaly.
- Addressed advertising and other new market demands. The Government will watch how the Post Office reacts to such demands and will, if justified, make appropriate relaxations of the monopoly.

Chancellor appeals to workers on wages

By Richard Evans, Lobby Editor

SIR GEOFFREY HOWE, Chancelor of the Exchequer, appealed to workers over the heads of trade union leaders last night to accept realistic wage settlements in the next pay round in order to preserve jobs.

His message was stark — that in order to retain as many jobs as possible in the coming year most people would need to accept pay rises "well below the level of inflation."

Some workers would be able to earn more from increased productivity and success. "But generally pay rises must be well below the level of price rises and in line with the money available if we are to save endangered jobs and prevent unemployment soaring," he declared.

The Chancellor's comments, made in a Conservative television party political broadcast, show that Ministers are becoming increasingly worried about the effects high wage claims could have both on the level of inflation and on unemployment. But they realise there is little prospect of moderation from many trade union leaders.

A campaign is therefore being developed to emphasise the consequences of inflationary wage demands to the rank and file, particularly the impact on jobs.

This will be followed up in the coming weeks in a series of speeches by Mrs. Thatcher, Sir Geoffrey and other senior Ministers.

The Chancellor went out of his way to condemn steel union leaders for their prosecution of the steel strike which had lost even more jobs for the industry.

He compared this with the attitude of workers at Woolworths, BL and Talbot who had agreed to accept "realistic" pay increases in order to keep prices more competitive and jobs more secure.

Labour NEC backs proposals to boost finances and membership

BY ELINOR GOODMAN, LOBBY STAFF

LABOUR'S National Executive yesterday gave its backing to a package of proposals aimed at improving the party's parlous financial position and boosting party membership.

The proposals — all that could be salvaged from Labour's Commission of Inquiry — include a big increase in both individual subscriptions and union affiliation fees, together with an overhaul of the party's financial organisation.

Also accepted in principle was the introduction of State aid for political parties, together with a number of more novel ideas for raising funds like a national lottery and an annual appeal day.

But Mr. James Callaghan, the party leader, warned yesterday that even with the increase in union affiliation fees — by far the largest source of the party's income — Labour would still be running at a deficit in 1983-1984. The NEC, he said, did not pay enough attention to party finance.

The Commission's report did not concentrate solely on ways of raising more money. The report also talks about such ambitious schemes as setting up a press agency for the Labour movement and recommends that a feasibility study should be carried out into the funding of a new national Labour newspaper — for long an ambition of Mr. Anthony Wedgwood Benn.

The commission was originally set up to study the three main constitutional issues facing the party as well as the questions of organisation and finance.

But after five months of discussions, it finally agreed two weeks ago that it was unable to come up with any recommendations on the key constitutional issues of the reselection of MPs and who should have the right to elect the party leader and draft the manifesto.

Instead, it agreed to concentrate on the party's financial problems which some members of the executive believe are so serious they justify the months of work put into the commission.

The only constitutional recommendation it made was to propose that the rule preventing constitutional issues being raised more than once every three years at the party conference should be reimposed.

This was defeated at yesterday's meeting of the executive which means that the infighting over the constitution is almost bound to continue for another year.

The executive also rejected another of the commission's proposals to introduce a new class of registered Labour supporters which Left-wingers feared could be the preliminary to introducing a primary system into this country.

But the executive backed the great majority of the Commission's other proposals. The report will now be put to the party's autumn conference.

The report illustrates the desparate need for Labour to get its finances in order. At present it says, the party has "effectively no reserves, a thoroughly inadequate income and is moving into serious deficit and debt." It is essential, it says, that the party reverses the decline in its finances if it is to function "effectively as a modern political party."

To help remedy this, the commission proposes that union affiliation fees—the source of nearly 90 per cent of the party's income nationally—should be increased by 20 per cent to 40p per member from January next year, and to 50p from 1982.

It also recommends that the party should enter into negotiations with the unions in an attempt to find a way of overcoming both the party's short term and long term financial strategy.

The executive also accepted yesterday the commission's recommendations that individual subscriptions should increase from £3 to £5. It agreed to look further at an idea of introducing a special cut price membership for the unemployed.

Consultants plan under attack

By Lynton McLain

GOVERNMENT PLANS to use private engineering consultants in place of Transport Department road construction units were attacked by local authority representatives yesterday in evidence to a Commons Select Committee.

The Government's road construction units are responsible for developing motorways and trunk road schemes. But the Transport Department wants to phase them out to reduce manpower and save money.

An "action study" is now under way at the department to enable Ministers to reach decisions about individual units.

However, MPs on the House of Commons Transport Select Committee were told that the use of private consultants could be more expensive than alternative schemes, including reference to local councils and other authorities.

Mr.James Ireland, the chairman of the Association of County Councils' planning and transport committee, said in evidence that the association believed that many of the jobs in the road construction units could be done cheaper by direct work in councils.

He said that if the road construction units are run down too quickly, "instead of speeding up the road programme you will get a slowing-down of schemes."

Better compensation for shipbuilding companies defeated

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A CONSERVATIVE attempt to get better compensation for the shipbuilding companies nationalised by the Labour Government in 1977 was defeated in the Commons yesterday by a majority of seven (160-153).

Mr. Peter Lloyd (C., Fareham) tried to introduce a Ten Minute Rule Bill setting up a committee to review the original terms of compensation under the Aircraft and Shipbuilding Act, and to propose more just and equitable arrangements.

Mr. Lloyd told the House that the Act restricted compensation to the average stock market price for the six months ended February 1974. But that price bore no direct relationship to the real value of the underlying assets.

During the six months period, the market value of the companies was depressed by the threat of nationalisation and by the first of the long series of oil crises.

"For a number of companies taken into public ownership under the Act, compensation is far below their actual net worth," he maintained.

Fosters, a company in his own constituency, had been offered £4.5m for its shipbuilding and ship repairing assets. But its worth had been more than £25m on vesting day including £5.5m cash in the bank.

Other companies, including Vickers and Yarrow had a similar tale to tell. A majority of Conservative MPs was convinced that the original Act was defective.

Several of the most profitable companies who had been the most heavily penalised had refused to settle. Such "flagrantly unfair" terms must eventually be superceded, Mr. Lloyd argued.

From the Labour benches, Dr. David Clark (South Shields) maintained that Mr. Lloyd's Bill was impracticable and unnecessary. It would be unfair to tens of thousands of workers in shipbuilding.

He said the majority of companies had agreed to the terms. Ten of them had agreed under the last Labour Government but only one had done so since the Conservative Government was elected. Any delay had been caused by the reluctance of the Conservative Government to reach agreed settlements with the outstanding companies.

He reminded the House that under the 1977 Act there was an independent arbitration procedure and at least one company was in arbitration at the moment.

UK NEWS—LABOUR

Left to bid for sharper Employment Bill attack

BY CHRISTIAN TYLER, LABOUR EDITOR

LEFT-WING trade unions are expected to promote TUC opposion to the Employment Bill by devising specific counter-action against the measures.

The most obvious target appears to be the Bill's provision of public funds for financing trade union ballots. Union leaders yesterday predicted moves to make refusal of the money obligatory on pain of expulsion from the TUC.

That could embarrass two large unions, the Engineers' and the Electricians', whose leaders have said they want the freedom as large users of expensive postal balloting, to accept state money.

They recently voted against a TUC general council motion from the General and Municipal Workers Union, opposing acceptance of what the GMWU called the "bait" attached to the new laws.

The TUC's attitude will be formally decided at the annual Congress in seven weeks, after debate on motions and amendments being prepared by affiliated unions.

A preliminary move towards a more aggressive TUC stance was made yesterday at a meeting of the employment policy and organisation sub-committee.

Two Left-wingers, Mr. Ken Gill of the Engineers' militant white-collar section, and Mr. Alan Sapper of the Cine Technicians, suggested formal withdrawal of the voluntary codes of conduct issued the TUC as part of the so-called "concordat" with the Callaghan Government.

Despite long discussion, the proposal attracted scant support.

The guidelines—on disputes procedure, industrial action, and the closed shop—will to some extent be overtaken by the Employment Bill and could also be superseded by a guide to and critique of the Bill which the TUC is to produce next month.

Yesterday's TUC sub-committee approved with only minor amendments a report on its fight against the Bill and a five-point programme for discussion at the Congress.

The policy document restates the general council's position on money for ballots, promises TUC guidance when the Bill becomes law, probably at the end of this month; urges unions to restore by collective bargaining the rights they will lose under it; promises continuous review of its effects on TUC institutions; and suggests talks with the Labour Party designed to secure its repeal.

Post Office increases offer to engineers

BY PHILIP BASSETT AND NICK GARNETT

NEGOTIATORS FOR Post Office telecommunications engineers who are threatening damaging *industrial action from the* beginning of next month have informally received an increased offer of 19 per cent.

The new offer, which is still below what the Post Office Engineering Union would be prepared to recommend for acceptance, involves a principal element of 15 per cent, common to the last offer, but an increase from 2 to 4 per cent for the additional productivity element.

The union's annual conference, in defiance of the executive fixed a claim of 37 per cent. The executive had previously been seeking a 23 per cent rise together with 4 per cent for productivity.

Negotiators would almost certainly be prepared to settle for an offer close to that 27 per cent package they had originally sought.

It is unclear, however, how *far above the Post Office's present offer management would have to go before the offer was put either to a delegate conference or to a ballot.*

The union had further discussions on its claim with the Post Office yesterday. The executive hopes to have a firm set of proposals from management by the time it meets next week.

The union, with 126,000 engineers and technicians, is committed to starting industrial action from August 4 if a settlement is not concluded by that time. It expects to co-ordinate any necessary action with the Society of Post Office Executives which is also involved in pay negotiations.

Post Office Engineering Union members operate on a range of services apart from telephones and including outside television and radio broadcasting, telex services and data transmission.

Pay deal nears for Government workers

By Philip Bassett, Labour Staff

TRADE UNIONS representing 160,000 industrial civil servants agreed yesterday to recommend for acceptance a £113.3m pay offer, worth 16½ per cent on the pay bill, which will give basic rate increases of 18 per cent.

The 12 unions of the blue-collar civil servants, mainly employed by the Ministry of Defence in RAF bases, dockyards and other defence establishments, will put the offer to their members.

Ministers made clear in March, when the Government announced the cash limit for the Civil Service, that industrial as well as white-collar staff would be subject to the pay provisions, which allowed for increases of 14 per cent and accompanying manpower cuts of about 2½ per cent.

The warning was confirmed in more recent talks between Ministers and leaders of the industrial workers. Whitehall officials were keen to stress after the 16½ per cent offer was made yesterday that it was still within the cash-limit provisions.

They insisted that the difference between the 14 per cent cash limit and the 16½ per cent offer would be made up by the manpower cuts announced in March, though there seems some haziness about how this will be effected.

The offer will mean a total £686.7m pay bill for the group. This does not include some 12,000 workers in the Royal Ordnance Factories and about 900 at the Royal Mint, who are covered by separate votes.

It will take the basic rate of those on the lowest band of the scale from £54.50 to £64.30, an increase of 17.98 per cent; those on band eight, a mid-range group, from £62.30 to £73.50, up 17.97 per cent; and the highest-paid craftsmen from £72.25 to £85.25, up 17.99 per cent.

Overall size of the package is kept down to 16½ per cent because shift premium and other allowances are not increased pro rata.

The increases are still well below the rises of 25-26 per cent shown to be due by findings of the independent Pay Research Unit comparability studies.

● The Society of Civil and Public Servants sharply criticised yesterday the Government proposals, in a Green Paper, which would oblige employers *to* pay at least £30 a week to their employees in the first eight weeks of sickness.

Banks in technology row

BY NICK GARNETT, LABOUR STAFF

THE ENGLISH clearing banks were accused yesterday by the Banking, Insurance and Finance Union of refusing to discuss with the union of employment implications of the introduction of new equipment.

The union said that most of the banks have been purchasing large quantities of new equipment which could have important effects on employment prospects within the next five years—but had consistently declined to discuss this or to negotiate agreements related to new technology.

The union has produced a report on new technology and on changes in working conditions which it says the new equipment necessitates. It has issued a paper this month on microtechnology, to be distributed in the banks.

Union officials have been concerned for some time that wider use of computer terminals, "lobby" and satellite banking—which concentrates banking services into smaller offices—will severely reduce the number of jobs in the finance industry within five to 10 years.

The banks say the union exaggerates the possible problem and argue that the impact of new technology will be spread over a much longer period than the union is claiming.

Unions back peace plan

BY JOHN LLOYD, LABOUR CORRESPONDENT

UNIONS representing the unskilled workers at the Isle of Grain power station construction site yesterday backed the TUC proposals to end the inter-union dispute at the site.

The unions—the Transport and General Workers' Union, the General and Municipal Workers Union and the Union of Construction, Allied Trades and Technicians—said that they believed the TUC proposals would "allow a return to work under conditions which are fair to all the unions involved."

Three craft unions — the engineering and construction sections of hte Amalgamated Union of Engineering Workers and the Electrical and Plumbing Trades Union—have said that the TUC proposals would not solve the problems outstanding on the site, and have called for a meeting of the general secretaries of all the unions concerned to settle the issue, and then to approach the Central Electricity Generating Board, the client on the site.

The TUC's proposals, made by a sub-committee of its Finance and General Purposes Committee, call for a return of the 27 GMWU members who had previously carried out insulating work on the site.

Airport 'poaching' row unions meet

HOPES of averting a strike by engineers at London Heathrow airport rose yesterday amid moves to resolve an inter-union row over "poaching."

Airport shop stewards and senior officials in the Amalgamated Union of Engineering Workers have received an executive recommendation not to strike before national talks with the Transport and General Workers Union.

The AUEW said it hoped a meeting could be arranged soon with Mr. Moss Evans, general secretary of the TGWU, and following intervention by Mr. Len Murray.

The engineers' union claims that the TGWU has "poached" more than 20 of its members in the past year and that the TGWU is now trying to attract shop stewards.

Mr. Jack Whyman, AUEW executive member and national representative of the engineers, said yesterday the union had advised its Heathrow members that it expected no action until the national talks.

"We want to avoid any waste of money," he said, but the union would nevertheless endorse any action its members took over the issue.

He warned the TGWU: "If they want a battle, they can have a battle."

The poaching allegation centres on what the AUEW says is a section of its members who also belonged to the Association of Licensed Aeronautical Engineers—a non-TUC organisation taken into membership of the TGWU last year.

Plan to shift TUC nuclear policy

BY OUR LABOUR EDITOR

AN ATTEMPT to shift TUC policy in favour of unilateral nuclear disarmament by Britain will be made in the autumn.

The Transport and General Workers Union will submit a resolution at the September congress asking the Government to reverse its decision allowing Cruise missiles on British soil. It will also call for the removal of all nuclear bases.

Unless the union were to accept amendments watering down its message, there could be a debate reminiscent of the political controversy 20 years ago. Then, the Campaign for Nuclear Disarmament — now enjoying a revival—was at its height.

The Government's planned £5bn programme to replace the Polaris submarines with four or five submarines armed with U.S.-built Trident missiles, will add further impetus to the debate.

The union is allying itself with Left-wing Labour MPs who are again calling for a policy of strict nuclear neutrality for the UK.

Transport union officials believe the trade union objection to defence spending cuts—thousands of jobs would be lost—is no longer valid when the TUC is pressing an alternative economic and industrial strategy.

The defence budget's size when social services are being cut is seen as another strong card.

A more general resolution on peace and detente—mentioning Cruise missiles — will be submitted to congress by the National Union of Mineworkers. It was adopted by the miners' union conference last week.

Last year's congress resolution, moved by the white-collar section (TASS) of the Engineers' union, called for general disarmament and the dismantling of military blocs. However, it did not suggest that Britain should cancel all its nuclear commitments.

In trying to harden that position, the Transport Union is reviving the policy advocated by its former general secretary, Mr. Frank Cousins.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● ENERGY

Checks heat loss from buildings

A QUICK and direct method of measuring the heat loss through walls or from any radiating surface and therefore assessing its insulating ability is afforded by an instrument called ThermoFlow.

Made by Linear Laboratories in California the unit is available in the UK from Unity Power Systems, 44 Wellesley Road, Croydon, Surrey CR9 2BU (01-680 3656).

The instrument, housed in a carrying case and weighing only 1kg, measures infra-red radiation and provides a direct reading on a large digital display in BTU per square foot per hour. It then remains a simple matter to calculate the total heat loss from a wall or window over a given period.

Also supplied is a graphical K value estimator. This allows the user to combine readings taken from internal and external surfaces with nett heat flow measurements to obtain an estimate of K value. The graph can also be used to estimate the energy savings that could be achieved by adding insulation.

The device promises to be of considerable interest to builders, surveyors and heating engineers, not only in the reduction of heat losses but also in the prevention of over-specification in terms of insulation materials.

But there will also be applications for maintenance engineers for example: Losses from steam pipes, ovens, furnace linings and other plant can be easily identified since the instrument can be switched specifically to detect insulation voids and infiltration.

ThermoFlow has no moving parts, is claimed to be stable with time and temperature, is ruggedly constructed and incorporates an automatic ambient temperature compensation device. Also built in is a filter for the eight to 14 micron wavelength band which eliminates potential errors caused by water vapour, carbon dioxide, sky radiance and reflected sunlight.

The instrument can even be used to check energy losses from electrical and electronic equipment, providing a simple estimate of the energy efficiency of the design.

This vacuum heat treatment plant has been installed at the Droitwich works of Deritend Precision Castings. It is being used to relieve stresses created during casting of stainless steel and nickel alloy components. Heat treatment under vacuum eliminates surface sealing of components and produces a better surface. Up to 600 lb of components can be treated in this plant at a time. Treatments can be pre-programmed, a minimum cycle being 2½-hours including soaking at temperature, typically 1050 degrees C, for one hour and rapid quenching in nitrogen.

● PROCESSING

New circuit board plant

RECENTLY installed manufacturing plant has given Circast Electronics capability to produce multi-layer printed circuit boards in its factory at Leamington Spa. This meets a requirement for increased miniaturisation in advanced electronics.

Boards with up to 12 layers can be produced. Each layer carries a circuit, so the total circuitry in a multi-layer board is many times that of a conventional printed circuit board.

As well as manufacturing these circuits in quantity, Circast is also equipped for the rapid production of prototypes. Companies in the telecommunications, computer, avionics and similar industries are expected to welcome the new sub-contract service.

Among the new plant is refrigerated storage for the prepreg. This reinforced uncured resin is in sheet form: it is prepared and cut to size in an air-conditioned clean room. Circuits and prepreg are interleaved, and placed in a steam-heated multi-platen press (Bradley and Turton). Cured under pressure, the resin bonds the circuits together to form the multi-layer board.

These new facilities are additions to a printed circuit factory that is noteworthy for its high degree of automation. Holes are drilled under computer numerical control, while metals are deposited by automatic plating lines.

Quality control involves checking each stage of production. It is supported by comprehensive laboratory and inspection facilities.

Circast, Ramsey Road, Sydenham, Leamington Spa. 0926 22481.

● INSTRUMENTS

Robots make the inspections

MAKING USE of standard ASEA robots the LK Tool Company of Derby has developed what it claims to be the first commercially available CNC robot inspection system.

Early applications are expected to be in the dimensional inspection of motor-car bodies, themselves already welded up by such machines in factories.

Contact measurement probes at the ends of the robot arms in conjunction with microprocessor control and the ability to remember up to 15,000 positions allow the equipment to carry out rapid point to point measurements, with the addition or omission of steps when required. Continuous tracking of contours is also possible.

Electrically driven by servo-controlled DC motors, the robots have six degrees of freedom in movement and can return to the same position with an accuracy better than ±0.2 mm.

The measuring system that LK has married to the ASEA machines allows dimensional data to be plotted or printed out and stored and includes a wide variety software options to suit the equipment to many industrial applications.

More from the company at East Midlands Airport, Castle Donnington, Derby (0332 811349).

● FOOD MANUFACTURE

Soya bean experiment in Hungary

NUTRITION experts in Hungary are reported to have produced a new soya bean concentrate which can be used as a food additive to bake a high protein, low carbohydrate loaf. Patented under the name "Amyvit R," the concentrate is claimed to embody the most successful treatment of the soya bean to date.

Details of the new product were outlined in Budapest by Dr. Karoly Lindner of Hungary's College of Commerce and Catering. Based on an enzyme treatment, the process used turns the soya bean into what is said to be a highly palatable food additive, without impairing any of its valuable nutritional properties.

The bitter taste and unpleasant odour of the untreated soya are removed, it is stated, while the high protein content is made easier to digest. An additional advantage is that none of the original bean need be wasted.

The concentrate is initially being used in the bakery and confectionery industry in Hungary as an additive to increase the protein content of bread and cakes and at the same time reducing the carbohydrates. It is expected to prove a useful additive to other foodstuffs, including meat products.

The new "soya bread" is currently undergoing trial production at one of the biggest bakeries in Budapest and is already on sale in the Hungarian capital.

● COMPUTING

Double-sided disc drive

INTENDED MAINLY for use with technical computers in the HP 1000 series, the HP 85 personal machine and several of the company's desk-top computers is a new disc memory from Hewlett Packard that can store up to 2.36 megabytes.

Designated HP 9895A the unit has two drives that can read double sided double density data on HP-qualified flexible discs each taking up to 590 kilobytes/side. Use of the company's interface bus facilitates connection to the computers.

A built-in controller allows single sided discs to be read and also allows the unit to exchange data in most cases with other systems which use the IBM 3740 single sided single density format provided that additional software exists in the host computer.

An optional dual drive slave unit (no controller) can be connected to provide another 2.36 MB, as can a single drive slave to increase capacity by 1.18 MB. Furthermore, the HP 9895A can be ordered with only one drive and upgraded later.

More from the Computer Systems Group of Hewlett Packard, King Street Lane, Winnersh, Wokingham, Berks. (0734 784774).

A very fast printer

SPEEDS FOR computer-fed printers continue to edge upwards and the latest offerings from Florida Data Corporation, available from Data Type Terminals of Greenforge Way, Gwent (06333 65307) can rattle off four lines every second making them, it is claimed, the fastest general purpose matrix printers currently available.

These units have microprocessor control with a 16-line buffer which has a "look ahead to the next line" facility, enabling a prediction to be carried out of whether it is faster to print the next line backwards or return to the left margin and print normally.

Standard model 600A has a 96 character fount with a range of type styles determined by ROM programming, in 8 by 7 matrix format.

More advanced model BNY also offers medium-speed printing at 150 characters/sec. and two pass printing to give "solid founts" and graphics, using in effect a 16 by 16 matrix. Graphics is accomplished by shifting, under program control, into a direct-addressable mode with 128 dots/inch horizontal and vertical.

● PACKAGING

Prints codes on packs

CLAIMED TO operate efficiently on both regular and intermittent product flow lines without alteration or adjustment, is a purpose-made unit based on flexographic printing, for the application of identification codes on flat or concave bottoms of glass jars, plastic bottles, cans, coated or laminated cartons, and aerosols.

Processing at a rate in excess of 200 items a minute, the machine has a photo-electric register to ensure accurate impressions. The unit is free-standing and therefore can be used off-line for specialised applications.

Unskilled labour can easily finger-set the desired code from the interchangeable Riblok rubber type, says maker Lawtons, 60, Vauxhall Road, Liverpool (051 227 1212).

● COMMUNICATIONS

Digits seen from afar

PEOPLE IN process plants and factories can read, at distances up to 250 metres, weights, temperatures, or other data, by means of a digital display unit developed by Strainstall, Denmark Road, Cowes, Isle of Wight (098 329 5111).

This is a 16-inch high derivative of the company's former model which had 8-inch screens —Type 1920 is not only increased in size, it uses lamps with six times the light output of the former series.

Other uses would include clocks, scoreboards or similar displays in sports stadia and public places. Because the unit is fully waterproofed, it suggests applications in the marine field, too, where long range visibility is often vital.

Access to data made easier

IMPROVED development facilities and greatly increased ease of access to data, are two of the major advantages that Associated Book Publishers expect from the use of Cincom's Total database management system.

The 14 company publishing group, which includes such names as Chapman and Hall and Methuen, is implementing the £30,000 software package on a newly installed NCR Criterion computer system. Included in the package is Cincom's T-ASK on-line database inquiry system.

A three-year changeover period is envisaged during which systems currently run under the company's own management software will be re-worked to take advantage of Total's capabilities. A variety of new systems will also be developed using Cobol which Associated is adopting as its new main programming language.

Among the first systems to be transferred to Total will be one which keeps track of the location and physical distribution of the company's stock of 8m books. These represent the 6,000 new and back-list titles live at any one time, about which Associated Book Publishers expect Total to provide a whole range of new information.

Cincom Systems International, St. Ives House, Maidenhead, Berks. Maidenhead 29486.

JOBS COLUMN

Enterprise • International production head

BY MICHAEL DIXON

A BIT of help is worth a lot of pity. So pride of place goes today to John Frost who is primarily in the motor business, and apparently doing better there than might be expected in present circumstances.

He is one of dozens of people who have reacted to the Jobs Column's criticism of recruiters who refuse even to consider applicants who are above a certain age, or either jobless or self-employed consultants. While indebted to all who have sent their suporrt, however, I was inevitably disheartened to find that most felt both helpless in the face of this prejudice on the part of employers, and pessimistic about the ability of reasoned argument to remove it. The typical response was that of the former engineering director, now 47 and unemployed, who wrote:

"The two filters that you have written of are crude and irrelevant in most cases. I regret that I have no great faith in the possibility of change, however."

Now, for people in that gloomy state of mind, it is easy to look on the—admittedly—few encouraging signs as exceptions which merely prove the rule. And so they might very well be. But faith, my pessimistic friends, is all we have; and all we can do is note the contrary example of Mr. Frost and hope that other business people will be sensible enough to do likewise.

For some time he has been thinking of branching out into another kind of business by starting an agency specialising in the recruitment of various kinds of technical specialist such as designers of various sorts, engineers, and senior draughtsmen. Despite the general weakness of the employment market, there still seems to be an unsatisfied demand for such specialists, he told me the other day, and he has evidence that there is room for another agency to supply them to employers on either a "permanent" or a short-term basis.

But having no connections with people possessing the contacts and experience to start and run the agency, he was reluctant to pursue the idea . . . until he read the Jobs Column nine days ago.

It has persuaded him that, far from being at best an embarrassment and at worst a nuisance, the ranks of unemployed managers and specialists are an opportunity to launch the enterprise he has long had in mind. So he would like to hear from people whose experience in industrial management has taught them what kinds of technical specialist are needed where, and how to tell the good ones from the bad, in addition to providing contacts within a few employing organisations.

The most promising background, John Frost feels, would be industrial work which has included the recruitment of specialist staff through agencies. But he is ready to consider anyone demonstrably equipped with the combination of skills, experience and connections on which to found the new business.

For his part, he will supply the premises, secretarial support, a salary of around £10,000 a year, a car, and a stake in the project. Inquiries should be sent to him at Drift Bridge Garage, Reigate Road, Epsom, Surrey KT17 37A. The telephone number is Burgh Heath 60111—the dialling code is 25 for calls from the London area, and 07373 for those from elsewhere.

Three offers

NOW TO a batch of three jobs being offered through the Grosvenor Stewart recruitment consultancy. John Fulford, who is one of its directors, says that in no case may the employing concern be named, but guarantees that applicants who so request will not be identified to the employer without further permission.

Inquiries should be addressed to the consultant noted as dealing with the particular job, at Hamilton House, 15, Tilehouse Street, Hitchin, Hertfordshire; telephone 0462 55303, telex 25102 Chacom G (prefix GS).

The first post, which is being handled by Mr. Fulford, is with a U.S. multinational company in toiletries and cosmetics. It needs someone to work for something like three-fifths of the year in London as operations director covering Europe, the Middle East and Africa. Responsibility will be to the company's vice-president for the same area.

"Operations director" is unfortunately one of those job-titles which mean different tasks to different companies. In this case, however, it denotes the chief responsibility for getting the company's products manufactured and delivered to the standard, to the places, and at the price required.

The newcomer will work partly in a "staff role," acting as a high-grade internal consultant and advising on improvements, developments and other aspects of company policy. But there will also be the line-management task of directing manufacture in eight plants in various parts of the UK, France and Germany, which employ roughly 1,500 people.

There are two essential qualifications, John Fulford says. One is successful experience of managing the large-scale production of fast-moving consumer goods. The other is demonstrable ability to operate as a manager in the different cultures of other countries. France and Germany are the two most important, of course, but the wider the candidate's international experience, the better. Even so, English is the only language necessary, although French would help and German could come in handy.

Candidates with a degree-level qualification would have an advantage, especially if the subject is engineering.

The salary is negotiable from about £20,000. The perks will include a car.

Second on the Grosvenor Stewart list is an opening being offered by consultant John Padbury. This is a job for a manager of the development of new products with a smallish British company which has a turnover of about £10m in scientific instrumentation and is, I am assured, "highly innovative."

Applicants for this job should have shown their talent for product-development work over at least two years in a relevant type of industry, after a period of scientific research. It would help if somewhere along the way they had earned themselves a PhD (like Dr. Padbury).

No doubt the preference here for candidates no older than the early 30s is explained by the general belief that scientific creativeness is the prerogative of the young—which seems likely to be another time-honoured, and therefore self-justifying myth.

The salary indicator is £12,000. Again, the fringe benefits include a car.

Finally, we have a finance director's job being handled by consultancy director Stuart Adamson. It happens to be in Nigeria which, as all who have worked there seem to agree, is an incomparably good place to have come from.

The post is nevertheless being offered as a fast route up the international management promotion ladder to a qualified accountant with a minimum of four years experience of financial control with a world-wide group. A person who does the job well can look forward to promotion elsewhere within the same company—a U.S. pharmaceuticals corporation—after a stint of two or three years in Lagos.

Meanwhile, the newcomer will be drawing a salary of around US$50,000 "structured to keep tax liabilities as low as possible." Perks will be of the usual expatriate extensiveness, plus the use of two cars, which seems to be peculiar to Nigeria. The reason is that in Lagos one is forbidden to drive the same car on consecutive days. But having a brace of cars, I gather, is not much more than a licence to spend twice as much time in traffic jams.

International Cash Management

Leading International Bank, London

Our client, one of the world's largest banks, requires a broadly-disciplined financial executive for its International Cash Management team in London. This key unit provides a comprehensive international consultancy service to major corporations and is one of the bank's most important departments. The role is 'highly visible' and offers a significant platform for career progression.

The team's advisory work encompasses inter/intra-country studies, FX exposure, accounting and banking procedures. There is considerable contact, much of it overseas, with the senior management of corporate clients. Therefore a marketing oriented person, with good social and communication skills, is required.

Candidates will be graduates or professionally qualified and, ideally, will be familiar with the international banking system, with foreign exchange and with corporate accounting systems. Probably they will be working in international banking or an industrial corporate treasury function. Because of the international emphasis, fluency in European languages would be distinctly helpful.

More than one appointment is possible and applications are invited from candidates currently earning around £12-15,000. An excellent package includes car, low interest loan etc.

Please apply in writing, quoting Ref. 1149, to Michael Waggett.

Odgers

MANAGEMENT CONSULTANTS
Odgers and Co Ltd. One Old Bond St, London W1X 3TD 01-499 8811

Letraset Limited

Letraset Limited has grown from a turnover of £2 million ten years ago to its present position where Group sales are in excess of £70 million. This significant upward trend is continuing and the Group is now comprised of over 70 subsidiary companies operating in over 20 countries. The Company's major interests are in graphic and commercial art products, rare stamps, coins, maps and other collectors items, and educational toys and games.

Treasury Assistant– International Operations

Circa £10,000 Central London

The brief outline description of Letraset gives an indication of the dimensions of the Treasury function within the Group. This is a new appointment where the emphasis will be on developing the cash management activity at subsidiary operating company level. This will involve forecasting and planning to meet cash and borrowing requirements, maintaining close contact with each operating subsidiary, monitoring cash flows between companies and assisting in managing transactions exposure.

Candidates are likely to be 25-28 and qualified to degree or equivalent professional level, preferably in a numerate discipline. Experience within a multi-national environment would be preferred which may have been gained within a treasury, banking or accounting activity. The appointment will appeal to a person wishing to develop their next career stage within a complex international treasury function in a high growth company.

An attractive compensation package with a salary around £10,000 is offered and assistance with relocation where appropriate.

Brief but comprehensive career details quoting reference TA/121 to G. J. Cassell. New Appointments Group, Personnel & Selection Consultants, 505 Chesham House, 150 Regent Street, London W1. Tel: 01-464 4304.

nag New Appointments Group
Personnel Consultants

Financial Director Nigeria

Excellent salary and benefits package
Major health care corporation

- Our client is the important, expanding and profitable Nigerian affiliate of a major multi-national health care corporation.
- They now have a requirement for a Financial Director based in Nigeria.
- Candidates, probably in the age range 30-40, should be qualified accountants with a proven record of success with a major profit orientated organisation. Exposure to working overseas in fast developing countries would be a particular advantage.
- The position has considerable potential for further personal development with the International division and will appeal to the ambitious accountant seeking international experience in a stimulating and dynamic business environment where success is financially rewarded.
- The total package includes a house, cars, and the usual benefits associated with a position of this importance based in Nigeria.

Please write or telephone to S.W.J. Adamson, FCA,
Grosvenor Stewart Limited, *Hamilton House, 15 Tilehouse Street, Hitchin, Herts UK. Tel: 0462 55303.*

GS GROSVENOR STEWART
Executive Search and Selection

ap Senior Appointments

COMPANY ACCOUNTANT

North West London £10,500 negotiable

Our client, an expanding trading company with extensive distributive interests seek an experienced Accountant (qualification not considered essential) to take resposibility for the whole accounting function and reporting direct to the Board. Responsibilities will include the preparation and presentation of management information, cash flow and budgetary matters. Experience of currency transactions, Bills of Exchange and Letters of Credit would be an advantage though not essential.

This position would suit someone with sound commercial experience for whom the prospects are excellent. *Ref.* 1319.

Contact Gordon Montgomery or Christopher Dennington on 01-588 5105.

ACCOUNTANCY PERSONNEL SENIOR APPOINTMENTS
41 London Wall, London EC2M 5TB - 01-588 5105

ECONOMICS GRADUATE

22 - 28

THE COMPANY:

★ A leading firm of CITY STOCKBROKERS with a wide range of corporate, institutional and overseas clients.

THE APPOINTMENT:

★ Sole responsibility for economic research and analysis *to support the GILT EDGED Department.*

★ Study of the factors that affect the money supply, the movement of interest rates and the fluctuation of international currencies.

★ Written and verbal advice to clients, to the UK and overseas research departments, and to the firm's overseas *offices.*

THE SUCCESSFUL CANDIDATE is likely to have:

★ A good degree in economics

★ The intellect, poise and confidence to communicate at board level with corporate and institutional clients.

THE REWARDS:

★ A first-class career with a leading name in the investment world.

★ An attractive salary plus bonus, non-contributory pension scheme and private medical insurance.

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PERSONNEL CONSULTANTS

Please apply:
Jock Coutts
Career Plan Ltd.
Chichester House
Chichester Rents
London WC2A 1EG.
Tel: 01-242 5775.

COUNTY BANK

Portfolio Administrator

We have a vacancy in our expanding International Asset Management Department for an Executive to assume responsibility for the administration of multi-currency fixed interest portfolios.

The successful candidate will be experienced in all aspects of portfolio administration procedures in Overseas Securities and Eurobond Markets, portfolio valuation and performance measurement. Familiarity with computerised administration systems is desirable.

Preferred age is 28-35, with at least 5 years experience at a responsible level of administration. The remuneration package offered will be commensurate with such experience.

Please apply giving full salary and career details to:–
Gordon Prosser, Company Secretary,
County Bank Limited,
11 Old Broad Street, London EC2N 1BB.

A member of the National Westminster Bank Group

Hudson Shribman

Banking Recruitment Consultants

As Banking recruitment specialists we would like to hear from those who are currently contemplating a career move. Positions which may be of specific interest include:—

ANALYSTS — Credit, Energy, Investment and Fund.

AUDITORS — Young Bankers or Accountants with languages.

CORPORATE CREDIT — Finance and Loan Executives.
DEALERS — Commercial, equity, FX, Money Market, Euro-currency.

INVESTMENT MANAGERS — Private Clients and Treasury.

ECONOMISTS — Investment, Advisory and Country Risk.

We also have numerous vacancies at clerical grades in Operations, Securities and Dealing.

Reply in the first instance to Mike Jackson.

RECRUITMENT CONSULTANT c. £12,000

In expanding our banking recruitment division we require a young articulate self-starter with experience of placing Bankers and Banking staff. You will be rewarded with an attractive salary and incentive bonus scheme.

Reply in the first instance to Malcolm Hudson.

Hudson Shribman International Ltd
23 College Hill, London EC4
Tel. 01-248 7851

GROUP CHIEF ACCOUNTANT

The Neepsend Group of Companies which has a turnover in excess of £30m in metal processing, tool manufacturing and engineering requires a Group Chief Accountant for its Head Office in Sheffield.

The successful candidate, who will report to the Chairman, will be responsible for all accounting operations within the group and will be required to review and develop existing Management information and control systems.

He or she should be a Qualified Accountant with extensive experience both of financial accounting and of the introduction and operation of modern computer-based costing and budgetary control systems for manufacturing companies preferably in the engineering industry.

A commercial outlook, the ability to work and communicate with management at all levels and a forward-looking interest in the total Group business are essential requirements.

Minimum age 35 years.

Attractive salary and benefits.

Applications, with comprehensive details of qualifications, and experience, should be addressed to:

The Chairman, Neepsend Limited
Lancaster Street, Sheffield S3 8AQ

neepsend LIMITED

Senior International Banker

Salary at least £25,000

This is the top banking job in the well established, successful City based UK operations of a major North American Banking and Financial Institution.

The successful candidate will be responsible for the management, direction and continued growth of the Banking, Money Market and Investment Services divisions of the company and total operations/administration.

It is a rare opportunity for a banking professional with at least 10 years' relevant international banking experience in the City, including a successful record at senior management level.

The emphasis is on management and leadership qualities—the ability to confidently motivate, manage and control qualified and professional staff at all levels.

Salary and benefits will be negotiable at a sufficient level to be attractive to the right person. First class career promotion prospects are also attached.

Please write in the first instance with brief but concise details of career to date, indicating any companies in which you would not be interested, to: Mark Southwood,

Southwood Geraghty Associates
72 Rochester Row, London SW1P 1JU

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Young Solicitor for Ship Finance

City, to £10,000

Our clients, Clyde & Company, are expanding their ship finance practice. Candidates should be approaching admission or admitted up to two years with at least a year's experience of ship finance and sale and purchase, gained in private practice or a financial institution. Some knowledge of ancillary corporate and tax work would be an advantage. International travel will be necessary. The prospects in this growing practice are excellent.

Indira Brown, Ref: 19203/FT. Male or female candidates should telephone in confidence for a Personal History Form to:
LONDON: 01-734 6852, Sutherland House, 5/6 Argyll Street, W1E 6EZ

Hoggett Bowers Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM and SHEFFIELD.

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

BUSINESS DEVELOPMENT £9,500

Our client is an expanding American bank whose prime activity is the provision of commercial banking activities to U.K. and European multinationals.

The marketing team is being strengthened by the appointment of an additional executive, preferably aged mid 20s. Main responsibilities will be the selection of prospect companies and the maintenance of a calling programme to promote the bank's financial services. Knowledge of credit analysis principles and experience of the development and implementation of a marketing plan is required. Fluency in German would be an additional advantage. *Contact Roy Webb*

INTERNATIONAL SECURITIES/EUROBONDS
Age 30 years c £9,000 p.a.

A prime American Bank require a person with at least three years experience of supervising a busy section handling bonds and overseas securities. Applicants must be mature, of strong personality and be capable of motivating staff. Excellent fringe benefits apply, such as bonus, mortgage, life cover, etc.

Contact Brian Gooch

First floor–entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

General Motors Limited

Opportunities in Multi-National Financial Management

General Motors Limited currently generate an annual turnover of approximately £200 million. This scale of activity demands excellence: both in terms of systems used and the people employed.

In line with GM's exciting international development programme, we now wish to enhance our Management Control structure by appointing a number of dynamic finance professionals in the following areas:

Accounts Receivable
Accounts Payable
Credit Management
Final Accounts
Costing/Factory Accounting

To qualify for one of these interesting and demanding posts you must be an ambitious man or woman, either part or fully qualified ACMA, ACCA, CA etc. with some accounting experience. Candidates with a business related degree would also be considered. In the mid 20's to late 30's age group, you should have some experience of data processing systems with demonstrable leadership ability and/or supervisory experience.

The rewards of joining the GM team are excellent.

Working in one of our South Bedfordshire offices you will have the opportunity to gain invaluable accounting experience.

The initial salaries which are individually negotiable depending on qualifications and experience range between £6,200 – £8,600, together with a substantial benefits package, and relocation expenses where applicable. Those who join us in a senior post will also enjoy participation in the GM Lease Car Plan.

In addition there are promotional opportunities at all levels within the Group — both in the UK and throughout the world.

To apply, write to or telephone **Cynthia Turvey** at the address below to arrange an immediate interview.

General Motors Limited, High Street North, Dunstable, Beds.
Tel: Dunstable (0582) 64264

Assistant to Divisional Managing Director

Lloyds and Scottish Limited

Career Opportunity — Edinburgh

The Industrial and Commercial Division of the Lloyds and Scottish Group embraces factoring, vehicle and industrial equipment distribution and retailing. Its rate of development over recent years is impressive as are future plans. The key appointment of Assistant to the Division Managing Director arises as a result of the current person moving to a senior line position and it offers an unusual and highly stimulating opportunity for a young commercially aware accountant or business graduate. The role is that of advisor to the Managing Director and to subsidiary company boards. The prime responsibilities are to monitor results and analyse company performance and the person appointed will be expected to contribute to each companys' development and attend certain Board Meetings.

Candidates, male or female, aged 28—35 must be able to demonstrate ability and potential of a high order. They will have experience of financial analysis and control in either a financial or commercial organisation. Alternatively, they will come from the profession, having spent a significant period in investigation work. An inquisitive mind combined with the personal stature necessary to gain acceptance at all levels will be looked for.

A salary of circa £13,000 will be offered plus an attractive fringe benefits package including mortgage subsidy, profit sharing and car. Career opportunities are excellent.

(PA Personnel Services — Ref AA45/7406/FT)

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hobart House, 80 Hanover Street, Edinburgh EH2 1EL. Telephone: 031-225 4481. Telex 72556

PA

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BANKING RECRUITMENT CONSULTANTS

FX Dealer (Kuwait 27-32	to £20,000
Money Market/FX Dealer	to £15,000
Lending Officers	to £13,000
Senior Dealer (FX and Deposits	£10,000
Accounts Assistant	to £8,000
Loans Admin. and Charge Securities	to £6,500
Loans Admin	c £6,000

Please contact Mike Pope or Sheila Anketell-Jones
01-236 0731
30, QUEEN STREET EC4

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Aged 44 years, seeks change. Suitable senior position with small private company required. Sound marketable product to enable the company to be taken into the 80s and be a front runner in its field.

Write Box A7246
Financial Times
10 Cannon Street, EC4P 4BY

SUCCESSFUL EXECUTIVE with experience of accounting, armed forces, P.A. to director of Public Company, negotiating financial concepts would appreciate assistance in extending his career in UK or abroad.—Write Box A7247, Financial Times, 10, Cannon Street, EC4P 4BY.

Financial and Management Accountants

London

Scicon Consultancy International Limited, a leading computer systems and software consultancy, and a member of the BP Group, is seeking two high calibre accountants for:—

- A newly-created position within the Finance Division for the design, development and implementation of computer based financial systems and procedures, and to assist in the provision of a financial service to the Company.
- A position within the Corporate Planning Division concerned with the development and monitoring of all the Company's future activities and the further development of the corporate computerised model; acquisitions are also appraised within Corporate Planning Division. The work, by its nature, is conducted in close collaboration with senior managers in the Company. The successful candidate should therefore be of a sufficient calibre to be able to communicate and operate effectively at this level.

Both appointments offer excellent career prospects in a fast expanding company in the computer services industry, and call for two able and energetic qualified accountants, probably within the age range of 28-35, with sound financial backgrounds and a knowledge of computer applications.

Remuneration will be competitive and commensurate with qualifications and experience.

Please write with full career details, or request an application form from:

Ian Townsend,
Scicon Consultancy International Limited, Sanderson House,
49 Berners Street, London W1P 4AQ. Telephone: 01-580 5599

Scicon
consultancy international

Senior Financial Appointments

BTR Limited, the major International Group in the Rubber, Plastics and Engineering Industries have two vacancies for Accountants at their Corporate Centre in London SW1.

Management Accountant

Reporting to the Financial Services Manager he/she will be responsible for divisional management accounts, profit planning, analysis of divisional results and liaison with Area Controllers on accounting procedure. The ability to communicate with other departments and Companies on accounting information and requirements together with experience of working to tight deadlines is essential. Applicants should be Chartered Accountants (age 24/30) with solid professional experience.

Accountant/Administration Manager

Reporting to the Managing Director of BTR Trading he/she will be responsible for office administration and accounting for our Trading and Transport Companies. Applicants should be age 25-35, not necessarily qualified but with appropriate experience, a practical attitude to commercial accounting and the ability to make a significant contribution to the operation. The Company is introducing computer applications, and the person appointed will play a leading role in Systems innovation and review.

Both the above jobs will carry the competitive salaries and terms and conditions to be expected from a successful international Company. Fringe benefits are excellent and include free BUPA.

This is an outstanding opportunity to join a fast growing Group of Companies which offers exceptional scope for career development.

BTR

Applications giving full details of qualifications and career to date should be sent to:— C. J. Wetherall, Manager—Staff Administration, BTR Limited, Silvertown House, Vincent Square, London SW1.

BTR STANDS FOR GROWTH

Group Accountant

(Financial Director Designate)

London — to £17,000

An established and successful private international trading group with a turnover of around £40m wishes to strengthen its senior management by the appointment of a Group Accountant.

This position will be the senior financial role within the company and prospects for promotion to the board are excellent within the short term. Initial responsibilities will be to exercise financial control over the group's trading activities and to develop more sophisticated management information systems. There is an in-house computer facility and the Group Accountant will be supported by a small staff. There could be some occasional international travel.

Candidates, probably aged 28-35, will be Chartered Accountants who have acquired at least 3 years experience in a commercial or financial organisation, preferably with overseas activities. Personal qualities are obviously important as this is an outstanding opportunity to join the board of a private international company.

Please reply in confidence, quoting Ref. U878/FT giving concise personal and career details to D. E. Shellard – Executive Selection.

AMS Arthur Young Management Services
Rolls House, 7 Rolls Buildings
Fetter Lane, London EC4A 1NL.

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Due to continuing business expansion, we wish to recruit a number of experienced Credit Analysts to be based in the Bank's Head Office in Bahrain.

Candidates, aged 26-35, will ideally have had formal credit training possibly with an American Bank. The willingness and ability to train others is considered very important.

These positions are initially on a two-year contract basis but may be renewed by mutual agreement.

Rewards and other benefits offered are extremely competitive and designed to attract candidates of outstanding quality.

Interested candidates should write enclosing c.v., in the first instance to:

Mr. P. A. Parrott
GULF INTERNATIONAL BANK BSC
8-13 King William Street, London EC4P 4LD

All applications will be treated in the strictest confidence

Economics Research Assistant

We are one of the largest American-based Banks in London and wish to recruit a Research Assistant for our Economics Department which serves our network in Europe, the Middle East and Africa, providing analysis of economic and political developments as support for planning and business development.

You will be a graduate in Economics or a related discipline in your early or mid 20's and have been employed for a minimum of 1 year in a business environment.

Ideally, you will have had experience in Country, Industrial and Financial markets analysis, be familiar with inter-active computing and have knowledge of a foreign language.

We will offer you a salary commensurate with your qualifications and experience plus a first-class fringe benefits package.

Please write in confidence, giving details of your qualifications, experience and salary desired to: Mr. P. C. Taber, Assistant Vice President, Personnel Division

Bankers Trust Company
9 Queen Victoria Street, London EC4P 4DB

Financial Analyst

c.£10,700 + bonus and company car

The Headquarters of Britain's largest haulage group comprising over 50 operating companies, with a consolidated turnover of £417 million, is to move to a new office in Bedford later this year. An experienced Finance Officer is required in a new central Financial Planning and Control Department to undertake a financial analysis and monitoring role in respect of budget, investment plans and performance of a major operating Group within the Corporation.

The successful applicant, male or female, will hold appropriate qualifications and possibly a business degree, as well as possessing a high level of analytical ability together with a comprehensive understanding of modern analytical techniques and a logical approach to business problems. Also of primary importance is the ability to work effectively with all levels of management.

The location will initially be Central London but will be based in Bedford from November 1980.

For further details and an application form please contact:— Mr. J. F. Gardiner, Personnel Manager, National Freight Corporation, Argosy House, 215 Great Portland Street, London W1N 6BD. Tel: 01-636 8688, ext. 200.

NFC

Finance Manager

West London — £13,500 plus car

Our client, a leading company in the electronics field, wishes to recruit a Finance Manager to be responsible for a department of twenty staff providing the complete range of financial services required by a sophisticated and rapidly expanding company.

The successful applicant, male or female, will probably be aged 30 or over, a qualified accountant and have the experience necessary to motivate the young and enthusiastic finance team.

Candidates should forward complete C.V.'s including home telephone number and listing any companies to whom you do not wish your application forwarded to Peter Barnes, Ref. FT/331.

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FOREIGN EXCHANGE MANAGER — **£25,000 neg. plus benefits**

A leading Continental Bank who have recently entered the City are seeking a Manager to set-up the Money Market Operation and to deal initially. They are interested in experience in all the major currencies Foreign Exchanges, also Eurocurrency, Sterling, deposits and arbitrage. A strong marketing operation is planned for the UK with 5 supporting dealers.

OPERATIONS MANAGER — **£17,000 plus benefits**

An experienced banker is required to join the London office of a leading European Bank, to initiate the procedures and systems. Other responsibilities will include close supervision of the accounts, Head Office and Bank of England reporting, monitoring credit facilities and advances and recruiting staff. Experience in computerised systems a distinct advantage.

SENIOR FOREIGN EXCHANGE DEALER — **£17,000 plus benefits**

An expanding Continental Bank is seeking a principal dealer to join their London operation. Experience in all aspects of Deposits and Foreign Exchange is essential. An excellent opportunity for a Chief Dealer or No. 1 to join a new profit centred dealing room.

SENIOR BANKING ACCOUNTANT — **£negotiable**

A qualified accountant (A.C.A. or A.C.M.A.) is being sought to join the London operation of a European bank at present setting up in London. The ability to set up the accounting procedures and implement a computerised system is necessary. In-house benefits particularly good and prospects for career advancement are excellent.

LJC Banking Appointments
01-283 9953—for an immediate appointment

Treasury Executive

c. £11,500 p.a.

If you are under 30 and have achieved success in the field of foreign exchange and money management, you may be ready for this exciting opportunity to broaden your experience in our North Sea, European and African operations.

Internal promotion provides you with the chance to join a team of seven lively and consistently successful financial professionals. You will be playing a key role in the money markets in London and overseas, and thus developing your skills, knowledge and personal performance.

Oxy is an enterprising, well-managed, US multinational with substantial world-wide interests in oil, coal and chemicals. It has an impressive record of growth and profitability, and Oxy believes that attractive rewards, conditions and opportunities for personnel are the key factors in continuing this performance.

Apply with brief personal particulars, quoting 'OFPT' to: Martyn Hawkins, Occidental International Oil Inc., 16 Palace Street, London SW1E 5BQ.

OXY

هكذا من الأصل

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Export Finance

American International Bank

We are a major international bank with European Headquarters in London and an extensive network of branches and subsidiaries worldwide.

Responsibilities of the position include the co-ordination of clerical staff involved in ECGD finance and bills for collection activities.

Applicants should be educated to "A" level standard and ideally be studying for a professional qualification. A minimum of four to five years' experience in export finance is required with a minimum of three years' operational experience in medium-term ECGD finance. Supervisory experience is also required. In addition to an attractive salary, benefits include mortgage and personal loans at reduced interest rates, non-contributory pension scheme and subsidised restaurant.

Applicants should contact: Brenda Morgan, Continental Bank, Continental Bank House, 162 Queen Victoria Street, London EC4V 4BS. Tel 01-236 7444.

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Accountants

North London – c. £13,000 – £15,000

One of the difficulties in the Accountancy world is finding the opportunity to use one's financial background in a general management/commercial position.

Our client, a multi-million pound US organisation manufacturing high technology equipment, is offering just such an opportunity. Having expanded their operations in the UK and Europe, they are looking for several Accountants to work in their European Headquarters and be responsible for: Both manpower and resource utilisation; reorganising, developing and instigating new systems and procedures; analysis of budgets and forecasts with a view to overall profitability apart from various ad-hoc general management duties.

There would be the possibility of a senior executive appointment leading on from this position.

To arrange an initial informal discussion, 'phone or write to ANTHONY JUSTIN on 01-836 3464, MCS/ROBERTSON & SCOTT RECRUITMENT LIMITED, Control Data House, 179/199 Shaftesbury Avenue, London WC2H 8AZ.

FINANCIAL CONTROLLER

High Wycombe — to £12,000 + car + bonus

Our client, the subsidiary of a substantial U.K. Group, is engaged in a range of trading activities and the manufacture of sophisticated lighting and electrical equipment.

Reporting to the Managing Director, the Finance Controller will be responsible for accounting activities throughout the company. More particularly, he/she will be charged with the task of enhancing the role of the finance function through the development of management information and control systems and involvement in the appraisal of both existing business activities and potential acquisitions. This appointment offers the opportunity to make a substantial contribution in a demanding and dynamic corporate environment.

Applicants should be qualified accountants in their late 20's/early 30's with experience of operating within a major industrial group. They should be highly-motivated self-starters with the ability to relate effectively to management of all disciplines.

Prospects for progression within the Group are excellent.

Applications should be made, in writing, to Liam Fitzpatrick, A.C.M.A., 410 Strand, London WC2R 0NS, quoting ref. 2944.

DOUGLAS LLAMBIAS
Douglas Llambias Associates Ltd.
Accountancy and Management Recruitment Consultants

DLA

and at 26 West Nile Street, Glasgow G1 2PF (041-226 3101)
3 Coates Place, Edinburgh EH3 7AA (031-225 7744)

Head of Postal Procurement

around £20,000

Following the Government's announced intention to reorganise the present Postal and Telecommunications' Businesses of the Post Office into separate Corporations, a new post is being created at Director level to plan and head the Postal Procurement function in the new Post Office, including National Girobank. Procurement is currently handled for Posts and Girobank by a Procurement Executive which serves both Posts and Telecommunications. A specialist is now sought who will be part of the top Post Office management team in order to prepare for the introduction of the new Postal Procurement function.

THE JOB INVOLVES

* examining the present arrangements
* drawing up plans for the postal organisation, covering transfer of provisioning, purchasing, supplies depots etc to a new organisation
* setting up the new organisation and thereafter
* heading the new department responsible for Postal Procurement

THE SUCCESSFUL CANDIDATE WILL HAVE

* substantial knowledge and experience of all aspects of tendering, purchasing, contractual matters and inventory control
* held senior posts in industry and commerce
* a record of innovation and achievement in the procurement field
* proven administrative, negotiating and communicating skills of a high order

The post will initially be based in London but could, at some future time, be located elsewhere. The post is pensionable and other conditions are of a high standard.

Further information may be obtained from
John Roberts
Secretary Designate of the new Post Office
Postal Headquarters Building,
St Martin's-le-Grand
LONDON EC1A 1HQ. Tel: 01-432 3452.

Applications, by letter in the first instance enclosing curriculum vitae, should be sent to

the Director Management Development,
Post Office Central Headquarters,
23 Howland Street, LONDON W1P 6HQ,
no later than 21 August 1980.

This appointment is open to men and women.

The Post Office

COMPANY SECRETARY

Property — *Central London*

Our client is one of the largest and most successful UK quoted property groups, with significant interests both here and overseas. Their continued growth now requires the appointment of an experienced Company Secretary whose responsibilities will cover the normal Secretarial duties associated with a public company, the administrative management of Head Office and some financial work.

Candidates, whilst being technically sound, must have appropriately broad experience for all aspects of the work. They will be qualified secretaries or accountants; age is less important than having successfully carried our a similar senior or number two role, preferably in a public Group. He or she must have the maturity and presence to work closely with Board members, the managerial ability to run Head Office effectively on a day to day basis and preferably also have some depth of financial experience.

Remuneration will include an executive car, excellent pension and salary negotiable in line with the seniority of this position.

Please telephone for an application form or write to David Thompson who is advising on this appointment, quoting Ref 1145.

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THE ADVERTISED APPOINTMENTS DIVISION OF ODGERS AND CO

Financial Controller

LONDON SW1 — £15,000 +

U.K. subsidiary of a major international Metals and Minerals company seeks a Financial Controller for its West End office.

The successful candidate is likely to have three to five years' experience in the commodity business and terminal markets and will be responsible for the implementation of Financial and Management Control Systems—Banking and Foreign Exchange negotiations—Budgetary Control and Cash Management.

Please write enclosing a curriculum vitae to:

The Managing Director
Box A.7241, Financial Times
10 Cannon Street, EC4P 4BY

Reinsurance Underwriter

Bermuda

A very large and expanding captive insurance company requires a

Vice President Underwriting

The task will be to develop a new world-wide reinsurance account, supervise a small underwriting staff, and liaise and co-ordinate the company's underwriting activities in New York and London.

- Treaty reinsurance specifically, but including proportional facultative/excess of loss in all areas.
- Emphasis will be on build-up of a balanced and profitable book of both US and foreign business. No underwriting targets will be set.

There will be generous allowances for housing in Bermuda, as well as for education and travel.

Underwriters currently earning not less than £23,000 in the UK, who have experience in both the London and New York markets and the ability to develop a major insurance company, should contact:

Richard Dutton
Managing Director
Robin Marlar & Associates Ltd
14 Grosvenor Place, London SW1
Tel: 01-235 9614. Telex: 261260 ASM-G

N. M. Rothschild & Sons Limited

International Bond Portfolio Manager

N M Rothschild Asset Management Limited, the wholly owned investment management subsidiary of the above, wishes to recruit an experienced executive for its Investment Department. The role, which will be based in London, but may include substantial international travel, will involve the management of fixed interest multicurrency portfolios as part of a highly professional team of people working in this area.

The individual, who will probably be aged between 24 and 28 and who will have some experience in the currency and fixed interest field, will have a good University Degree, a competent knowledge of international fixed interest markets, and an ability to communicate views both to colleagues and to clients.

The post will be attractively remunerated in a challenging environment.

Please write with full details of career to date to:
Personnel Director, N. M. Rothschild & Sons Limited, New Court, St. Swithin's Lane, LONDON EC4P 4DU.

ACCOUNTANT STAFFORDSHIRE

A large international chemical company is seeking a qualified Accountant for a subsidiary manufacturing company based in the Potteries.

As a member of the Management team, in control of the Accounts Department, you will be responsible for the preparation of financial and management accounts and the installation of costing and stock systems. Applicants, aged between 25-35, should have had previous experience in a manufacturing industry.

Salary is negotiable and there are good company benefits including a car. Relocation expenses will be paid if appropriate.

Write giving full details to Box No. A7240 Financial Times, 10 Cannon St. EC4P 4BY.

Please list separately any company to whom your application should not be sent.

CoSIRA

Council for Small Industries in the Rural Areas

The Chief Executive

The Board of CoSIRA invites applications from persons with senior general management experience in the private or public sector to succeed Mr. B. P. Dabell who reaches retirement age at the end of this year.

As an agency of the Development Commission CoSIRA exists to foster small business activity in the rural areas thereby contributing to the overall regeneration of economic and social life in rural England.

Persons interested in this appointment are requested to write, in confidence, to P. M. Felix of Whitehead Mann Limited, who are acting as consultants to the Board.

Whitehead Mann Limited, 44 Welbeck Street, London W1M 7HF.

David Grove Associates
Bank Executive Recruitment
60 Cheapside London EC2V 6AX
Telephone 01-236 0640

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The leasing subsidiary of a major European Bank seeks an ambitious person aged 24-35 with several years' experience in Finance or Leasing Company to run a small department responsible for the preparation of Hire Purchase/Leasing agreements, proposals for Credit Committee, negotiation of agreement conditions, etc.

Working knowledge of French and F.H.A. Diploma or member I.C.M. desirable.

Candidates interested in these appointments should contact Stephen Lawson

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For one reason or another, many of our clients think they should make a change, but are not quite sure. Not sure of themselves, of their potential, of their "marketability" or of their ultimate goal.

We are a group of highly qualified specialists who guide senior people towards a new direction in their careers, towards optimum personal and financial rewards. If you're a senior executive or professional person and you're not quite sure, one of our professional Career Consultants will be happy to discuss the matter with you, confidentially and without charge or obligation. Telephone us on 01-637 2298 now.

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The Consultants in Executive Evaluation and Career Advancement
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We are not an Employment Agency

PUBLIC NOTICES

ST. HELENS BOROUGH COUNCIL BILLS
Issued 15th July, 1980. £2.5m. Bills at 14⁹⁄₁₆% due 14th October, 1980. Applications £17.5m. Total outstanding £6.9m.

OLDHAM CORPORATION BILLS
£3,800,000 Bills issued 16th July, 1980 at 14-39/64ths per cent to mature 15th October, 1980. Applications £29,690,000. None outstanding.

NEWBURY DISTRICT COUNCIL
£720,000 Bills issued 14th July 1980 at 14 [illegible] per cent. Total applications £5,040,000. No other Bills outstanding.

CITY OF LIVERPOOL BILLS
£12,200,000 Bills due 15 October, 1980, dated 16 July, 1980, were tendered for at an average rate of discount of 14.6291 per annum. These Bills were issued to replace £12,200,000 Bills repaid on 16 July, 1980 and are the only City of Liverpool Bills outstanding.
JOHN HILL,
Treasurer of the City.

ROTHERHAM METROPOLITAN BOROUGH COUNCIL
£2,000,000 bills issued 16.7.80 at a rate of 14⁹⁄₁₆% to mature 15.10.80. Total applications were £23,000,000 and there are £4,000,000 bills outstanding.

HERTSMERE BOROUGH COUNCIL
£850,000 bills issued 16.7.80 at a rate of 14⁹⁄₁₆% to mature 15.10.80. Total applications were £7,650,000 and these are the only bills outstanding.

LUTON CORPORATION BILLS
£700,000 Bills issued 16th July, 1980 at 14-39/64ths per cent to mature 15th October, 1980. Applications £5,950,000. None outstanding.

METROPOLITAN BOROUGH OF WOLVERHAMPTON
£7.5m 91-day bills issued 16.7.80, due 15/10/80 @ 14.17⁄32%. Applications totalled £39.5m. No others outstanding.

COMPANY NOTICES

BRAZILIAN INVESTMENTS S.A.
Sociedade de Investimento
Decreto - Lei No. 1401
INTERNATIONAL DEPOSITARY RECEIPTS ISSUED BY MORGAN GUARANTY TRUST CY OF NEW YORK
The Report and Accounts for the six-months period ending March 31, 1980, have been made public and audited. Copies of such Report are available at the offices of Morgan Guaranty Trust Cy of New York in:
—Brussels, Avenue des Arts 35
—London, 1 Angel Court
—New York, 30 West Broadway

RESERVE ASSETS FUND LIMITED
Bearer Depositary Receipts "BDRs" issued by European Overseas Issuing Corporation S.A.
Dividend Coupon No. 3
Coupon No. 3 will be payable from July 14, 1980, onwards at Banque Internationale à Luxembourg, 2, Boulevard Royal, Luxembourg, at the rate of US$0.3465 per share, less any additional withholding tax that may be deductible.
This amount represents the dividend of US$0.35 per share, less the Depositary's commission of 1%.

LEGAL NOTICES

THE COMPANIES ACTS 1948 TO 1967. STARFALL LIMITED. Notice is hereby given that the Creditors of the above-named Company are required on or before the 1st day of August 1980 to send their names and addresses and the particulars of their debts or claims, and the names and addresses of their Solicitors if any, to NICHOLAS ROGER LYLE, of Fairfax House, Fulwood Place, London WC1V 6DW, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are by their Solicitors, or personally, to come in and prove their said debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved. Dated this 9th day of July 1980. N. R. LYLE, Liquidator.

THE COMPANIES ACTS 1948 TO 1967 RHINO LEASING LIMITED. Notic[e] is hereby given that the Creditors [of] the above-named Company are require[d] on or before the 1st day of Augus[t] 1980, to send their names and addresse[s] and the particulars of their debts [or] claims, and the names and addresse[s] of their Solicitors if any, to NICHOLA[S] ROGER LYLE, of Fairfax House, Ful[-] wood Place, London WC1V 6DW, the Liquidator of the said Company, and if so required by notice in writin[g] from the said Liquidator, are by thei[r] Solicitors, or personally, to come i[n] and prove their said debts or claim[s] at such time and place as shall [be] specified in such notice, or in defaul[t] thereof they will be excluded from th[e] benefit of any distribution made befor[e] such debts are proved. Dated this 9th day of July 1980. N. R. LYLE Liquidator.

THE COMPANIES ACTS 1948 TO 1967. RHINO PUBLISHING LIMITED. Notice is hereby given that the Creditors of the above-named Company are required on or before the 1st day of August 1980, to send their names and addresses and the particulars of their debts or claims, and the names and addresses of their Solicitors if any, to NICHOLAS ROGER LYLE, of Fairfax House, Fulwood Place, London WC1V 6DW, the Liquidator of the said Company, and if so required by notice in writing from the said Liquidator, are by their Solicitors, or personally, to come in and prove their said debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved. Dated this 9th day of July 1980. N. R. LYLE Liquidator.

SALES COSTS SURVEY

Keeping a man on the road costs £16,180

BY RUDI GOLDSMITH

THE ANNUAL survey of the cost of salesmen in Britain in 1979-80, carried out by Sales Force, again covered a broad cross-section of consumer goods companies. One-third of them have now reported for two years running, permitting a further check on trends. In the 12 months covered by the survey, there was an overall cost increase of 15.9 per cent, but this average is made up of a number of items showing substantial increases while others either showed decreases or were stable.

Broadly speaking, higher-than-average increases in field costs, and in the cost of financing cars, have been mitigated by savings in the cost of administration. The detailed figures are given in the table.

Items worth looking at a little more closely than others are as follows:

Recruitment: The cost increase of 39 per cent is only partly due to higher advertising rates. Many companies complained of poor response rates, or interviews made but not kept, and of successful applicants failing to report for work. The growing tendency to hire contract salesmen for territory relief, to avoid making unsatisfactory appointments in haste, reflects this situation.

Remuneration: The overall increase of 19 per cent closely reflects price inflation after making an allowance for higher marginal income tax rates.

Cars: The total running costs involved in this section (£1,735 p.a) represent a 31.5 per cent increase on the previous year compared with a 16.7 per cent increase reported in last year's survey. The major part of this change is attributable to loss of interest on capital, which has increased by just over 50 per cent—a combination of rising capital costs multiplied by much higher interest charges.

Once again, Ford maintained its lead with a share of 68 per cent of the total number of vehicles reported by companies involved. Leyland regained second place with 12 per cent, pushing Vauxhall into joint third place with Chrysler, each having a share of 9 per cent.

Field expenses: In view of the small number of companies reporting away-from-home expenses last year, no attempt was made this year to record them separately. The increase of only 11 per cent on last year's *total expenses* compares favourably with the increase of 17 per cent reported a year ago. No ready explanation is available other than that companies appear to have become tougher in what they permit to be claimed in the financial climate now prevailing generally.

Managerial costs: Sales managers' costs per salesman have continued to rise faster than the rate of inflation, but not as badly as last year—21 per cent up as against 32 per cent 12 months ago. Area managers' costs rose 17 per cent in 1979 compared with a rise of 22 per cent in 1978.

Wages calculation, sales analysis, training: All these items appear, on average, to be costing companies less. The first two may be accounted for by improved procedures such as the use of computers and the pruning of analysis requirements. At first glance it seems unlikely that more should be spent on recruitment and less on training, but if recruitment advertising is unfruitful, there may be fewer personnel attending training.

Secretarial, stationery, etc: Once again, these items have risen very little, by only 3 per cent and 6 per cent respectively. The latter rise is surprising in view of the increases in postal and telephone charges. It is possible that the very nature of these increased rates has induced many companies to enforce strict economies in their use of postal and telephone services.

The average salesman in this survey spent 44 weeks in the field in 1979, resulting in an inclusive cost of £368 per salesman per working week. The cost of a Sales Force contract salesman working from home, on the other hand, was £220 in 1979 and is now £272. The increase for both direct employment and contract services was approximately £40 per man week comparing 1979 with 1978.

As already indicated, savings appear to have been made by many companies in the cost of administration. Even though this accounts for only 10.5 per cent of the average weekly total cost, companies would be well advised to re-examine this element of their overheads, as *quite different economies are* being achieved by companies with similar sales forces in near-identical trading areas.

Inevitably, with falling percentages of overheads to rapidly rising field costs, companies will again have to look carefully at the overall costs of directly employing a large permanent sales force throughout the year rather than employing an essential nucleus supplemented by contract teams deployed during peak periods only—for example, spring and autumn, or to maximise sales support for new product launches.

By varying the size of the overall sales force during the year, a much more effective sales effort may be secured at the same cost. Sales contractors with permanent forces can normally re-assign a high proportion of the same men year after year.

Rudi Goldsmith is chairman of Sales Force.

THE COST OF A SALESMAN

	1978 (£)	1979 (£)
Recruitment	114	159
Remuneration	6,023	7,170
Company vehicle	1,319	1,735
Expenses	2,470	2,741
Sales manager (including secretarial expenses and overheads)	719	868
Area manager (including expenses and overheads)	1,692	1,975
Wages calculation	57	47
Sales analysis	330	232
Secretarial (including overheads)	571	589
Stationery	478	505
Training	192	162
TOTAL	13,965	16,183

Source: Sales Force.

Weighing the costs and benefits of ITV-2

TELEVISION advertising revenues in the first half of this year totalled £273m, against £197m in the first half last year. But while the boom is fast slowing down, and while the Independent Broadcasting Authority gets on with sifting the 44 applications it has received for the new round of ITV contracts, advertising specialists are examining a little more closely the prospects for ITV-2, the new UK channel due to start broadcasting in 1983.

The whole issue is riddled with uncertainties, but according to TMD Advertising, the media specialists, there are four main areas of speculation as far as advertisers and agencies are concerned:

What sort of audience will ITV-2 attract? What effect will it have on ITV-1 audiences? What benefits, if any, will it offer advertisers that are not already available on ITV-1? What will ITV-2 audiences be worth in terms of cost-per-1,000 viz-a-viz ITV-1?

These questions have already been looked at by Aske Research in a projection of fourth channel revenue potential carried out for the IBA. *TMD says it finds Aske's* analysis of the likely pattern of ratings levels and audiences shares in a four-channel situation "quite believable." But it disagrees fundamentally with some of Aske's conclusions as *to the benefits the new channel* will offer advertisers, "in particular their key conclusion that these benefits will justify a 10 per cent cost premium over ITV-1."

In terms of programmes, it is thought that ITV-2 will stand in much the same relationship to ITV-1 as BBC-2 does to BBC-1. Initially, ITV-2 is expected to be on the air for about 50 hours a week, or seven hours a day—roughly from 5 pm to midnight.

It is unlikely, therefore, to add significantly to the size of the total television audience, says TMD. Projections shown in the table indicate that while ITV-1's share of total viewing hours would fall from 52 per cent to 46 per cent following the debut of ITV-2, the combined commercial share (ITV-1 plus ITV-2) would rise from 52 per cent to 58 per cent, producing an increase in total commercial viewing hours of what TMD estimates at 15 per cent.

ITV-2, says TMD, will be similar to BBC-2: a mass channel with low volume usage. "The argument that higher cover will be obtainable by using ITV-2 in conjunction with ITV-1 seems to be based on a fallacy. Already, 95 per cent of the adult population watch ITV at some time or other, so the possibilities of ITV-2 extending the reach of ITV-1 are negligible."

For the vast majority of advertisers, says TMD, low-rating spots, whether on ITV-1 or -2, will be attractive only if they offer a lower cost-per-1,000.

"Moreover, with the advent of ITV-2, buyers will have a *much wider choice of low-rating* spots to choose from, and will be in a better position to dictate price. If the contractors are wise, their rate-cards for ITV-2 will have a highly flexible pre-empt structure, allowing costs to find their own level for low-rating breaks, but to rise steeply for the occasional peak slots."

PROJECTED SHARE OF TOTAL VIEWING HOURS

	Now %	Post-1982 %	Difference
ITV 2	—	12	+12
ITV 1	52	46	− 6
Commercial total	52	58	+ 6
BBC-1	38	34	− 4
BBC-2	10	8	− 2
Grand total	100	100	—

Marketing consultants come into their own

BY PETER KRAUSHAR

ONE OF THE features of the 1970s that will undoubtedly continue in the current decade is the way in which manufacturers, and particularly their marketing departments, found it cost-effective to buy-in specialist outside services. In the 1950s and '60s, most tended to use only an advertising agency and possibly a market research company, but a revealing piece of research carried out for Campaign magazine among 224 consumer goods manufacturers shows how the scene has changed.

While there is a general feeling that advertising creative and media specialists will be used even more than they are now—more than 60 per cent of manufacturers thought it likely that they would use them for some of but not all their advertising in the 1980s—such specialists are clearly less *important than some advertising* agencies previously feared.

It is the marketing specialists whose use, especially by large manufacturers, seems to be growing: 58 per cent of large manufacturers use conference *specialists, for example, against* 45 per cent generally; 45 per cent use new product development consultants, against 33 per cent generally, and so on.

It is clear that manufacturers' attitudes to their advertising agencies have changed drastically over the years. While the agencies are obviously considered vital in the creative and media areas *by the large* majority of manufacturers, under 40 per cent want a strong contribution from them in diversification work, long-range planning, marketing planning, below-the-line work, market and *new product research, the* development of new product ideas, concept development, launch planning — even the redevelopment of existing brands.

In many of these areas the manufacturers do not feel that their current advertising agency is in fact making an important contribution, although this does not mean that they want no involvement at all in marketing planning, brand re-development, test marketing, concept development, research, etc.

The implication is rather that they wish to be able to use advertising agencies as a sounding board when required, rather *than as the originator of the* work involved.

This attitude makes a great deal of sense in that a given marketing department, increasingly supplemented by specialist outside services, can tackle *marketing projects more* effectively than the average advertising agency.

On the other hand, the latter is likely to be the outside service working with the client on the longest-term basis, so is in a particularly good position to fulfil the role of informed outsider asked to react on all kinds of marketing issues without necessarily becoming too involved in any one of them.

As the marketing scene becomes even more competitive and more complex in the 1980s, and as executive manpower costs continue to rise, it is extremely likely that manufacturers will organise slimmer marketing departments of their own and come to rely on outside services to an even greater extent than now, whereas many of the advertising agencies will be called on to fulfil a dual role.

They will concentrate on their own specialist areas of media and creative work, while at the same time needing to retain on their staff a few highly experienced generalists able to discuss with their clients cash flows, below-the-line activity, corporate planning and new development work as well as the latest advertising strategy.

Bid to bolster DC-10

McDONNELL DOUGLAS of the U.S. is planning on international campaign to bolster confidence in its DC-10 airliner folowing the worst-ever U.S. air disaster last May in which an American Airlines DC-10 crashed in Chicago, killing 273. McDonnell's own research indicates that 5 to 10 per cent of the flying public still harbours "deep concern" about the aircraft.

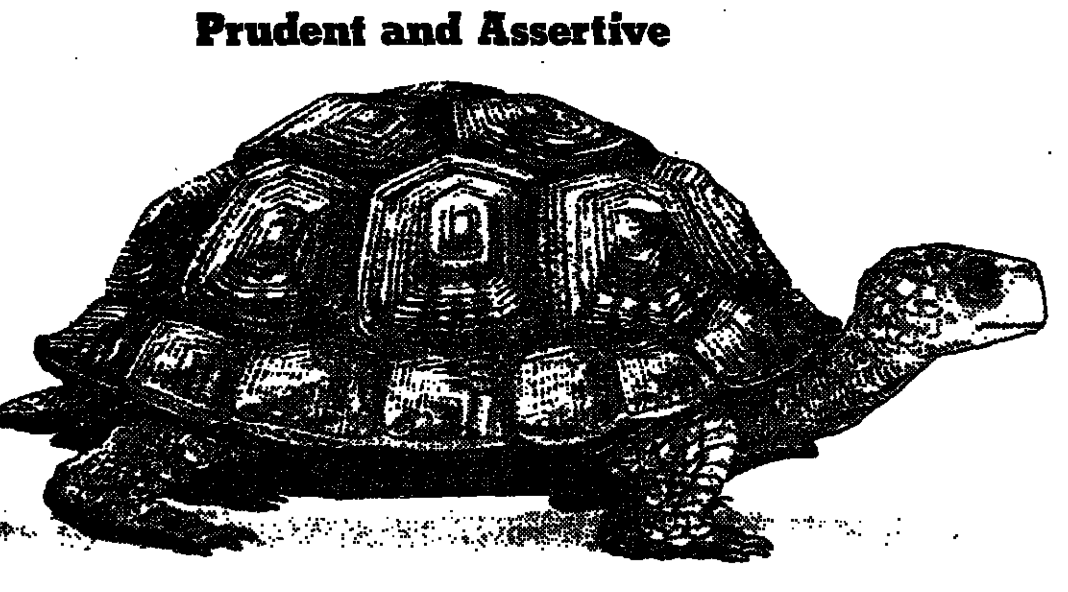
The campaign, organised by the J. Walter Thompson agency in Chicago, is expected to cover 40 countries. It is not yet known how extensively it will be employed in Europe. Charles Conrad, Jnr., former lunar astronaut, and now vice-president of marketing of McDonnell's aircraft division, is quoted in U.S. print advertisements as saying: "I'm convinced that the DC-10 is the most thoroughly-tested jetliner ever built."

Neither the broadcast nor *print* advertisements mention the Chicago disaster, nor the U.S. Government inquiry that followed. But a booklet offered in magazine advertisements, "DC-10 Report," covers the crash, the grounding of the international DC-10 fleet, the investigations and their findings. The advertising campaign will be supported by extensive PR.

● B & Q, which operates 37 D-I-Y Supercentres, mainly in south-east England, has given its £1.2m account to David Williams and Ketchum. Profits at B & Q, which went public last May, have risen to £2.3m. The account is DWK's fourth major win in a row. Billings are now virtually £18m.

● FLETCHER SHELTON DELANEY, now part of Ted Bates, is to handle the launch of Pulsar Quartz watches in Britain via a £250,000 Christmas campaign. The watches will be launched simultaneously in several European countries following a successful U.S. debut last year. FSD billings are approaching £10m.

● GRANDFIELD RORK COLLINS is to handle Alberto Culver's Alberto Balsam Conditioner (£650,000), plus the test marketing of its conditioning shampoo. Alberto has not used an agency for several years, and will spend more than £1.5m next year.



LOMBARD

Higher status for engineers

BY HAZEL DUFFY

ENGINEERS in Britain suffer from three serious handicaps—poor pay, poor status and poor promotion prospects outside the area of engineering. There are, of course, many exceptions. There are companies which value their engineering departments and pay accordingly; there are engineers who become managing directors, and there are a few engineers at the top of their profession who command the same respect in society as senior doctors, lawyers and civil servants.

But the general premise holds true, to the detriment of industry and the country. The question is what, if anything, can be done? The problem is not new. Various learned reports have been warning of the dangers since as long ago as the middle of the last century. The latest is the report of the Finniston Committee, which presented its findings and recommendations earlier this year to the Government.

Central plan

Finniston's central proposal is that an Engineering Authority, composed mainly of eminent engineers and appointed by the Government, be set up. Its role would be to ensure that the committee's other recommendations be carried out, for the improvement of the education and training of engineers, and their accreditation as registered or chartered engineers. It would also act as a super pressure group pushing for the elevation of engineers' status.

Employers, trade unions, professional engineering institutions, and academics, have been canvassed by the Department of Industry for their views on the proposed authority.

Sir Keith Joseph, Industry Secretary, whose job it is to decide whether the body be set up, is ideologically opposed to new areas of involvement by government. Their views therefore need to be unquestionably in favour of the body if he is to consider overcoming his natural opposition.

In fact, nearly all the submissions agree that there is a very definite need for change, and many favour the setting up of a Finniston-type body. But when it comes to the essential question of who should be responsible for appointing the 15 or so members of the authority, disagreement is rife.

Much of the opinion, including that of the Confederation of British Industry, and the Engineering Employers' Federation, which are both crucial bodies in determining the success of an authority, has opted for it to be established by Royal Charter rather than as a statutory body set up by government. This is seen as a way of removing it from the political arena. But whether as a chartered or statutory body, somebody still has to be responsible for making the appointments.

One suggestion is that the Fellowship of Engineers, a body of elite engineers from industry, the public service, and universities, should do the appointing. The snag is that the fellowship—set up four years ago as an engineering counterpart to the Royal Society—is so elite that most engineers have probably never heard of it.

Sir Keith may decide that there is no justification for a new body, whoever nominates the members. That would be a pity. Finniston's proposal is not without faults, but the basic idea promises that a start will be made to boosting the role of the engineer in industry and society.

Not hopeless

The cause is not hopeless. There is already evidence that schoolchildren are taking more interest in engineering as a career, with the result that the better-qualified school-leavers are offering themselves for university courses. But this progress cannot be left to follow a gentle path on its own. It needs the impetus of an Authority, and the only way to end the wrangling over who is appointed to it is for the Government to go ahead and make the appointments.

The Authority must have what its name implies, otherwise it will be no more successful in getting engineers to register with it than the existing institutional set-up. That rules out an institution-dominated body because employers would not take any more notice of it than they have of the Council of Engineering Institutions.

It is perhaps unusual to see government as an instrument of neutrality but in this particular case, it offers the best solution to a problem which might otherwise wreck a worthwhile experiment.

Good for the goose, but not for the gander

BUSINESS AND THE COURTS

By A. H. HERMANN, Legal Correspondent

THE EUROPEAN COURT has closed down for the summer holidays until September 16. Before leaving for their holidays last week, the judges handed down 353 pages of holiday reading in five important judgments*. The first of these, running to 86 pages, deals with sea fisheries, and has already been reported.

In the second judgment the court told the French, in 36 pages, that they committed a foul in prohibiting whisky advertising while allowing the advertising of brandy. The French argument, that brandy is good for your health while whisky is not, did not meet with approval—the judges demonstrated that they have no national prejudices in this respect.

The third judgment, dismissing Distillers' appeal against an EEC Commission decision, takes 69 pages, though much less would have sufficed for the court to say that the Commission was right in its decision because Distillers' prices were not notified, and there was no need to consider the merits of their case.

The fourth judgment, which runs to 46 pages, deals with the effect which the Commission's new practice of placing notifications of restrictive agreements on a "dead" file (instead of adopting a decision) has on the provisional validity of "old" notified agreements and on applicability of national rules of competition. The fifth judgment deals with the wider implications of the same practice over 106 pages.

The essence of the dispute between Distillers and the Commission is by now familiar. Until 1973 Distillers sold whisky in the UK on the strict condition that it would not be exported. The reason for this was that customers abroad were charged higher prices, and parallel exports by UK traders who obtained whisky at a substantially lower price would undercut the foreign buyers in their own markets. On June 30, 1973, Distillers notified its trading terms to the Commission asking for an exemption from its export prohibition.

The Commission objected, and Distillers replaced the export prohibition by a system of discounts available only on whisky destined to be drunk in the UK. Any British trader who wanted to export had to buy whisky at the full price so that he would not be able to compete abroad with Distillers' own distributors. Distillers submitted the revised conditions of sale on July 8, 1975, but did not attach their circular letter of June 24, 1975, which established the new system of discounts. This was submitted to the Commission only three days later on July 11, 1975, after the Commission asked for it.

The description of these details may seem pedantic. But it was on these details that Distillers lost its case in the European Court. Distillers maintained that the submission of the circular letter was part of its notification of the revised conditions of sale. It was part of the correspondence initiated by its notification in June 1973, followed closely on the submission of the amended conditions of sale, and was included by the Commission in the same dossier. Indeed, the Commission's decision of December 20, 1977, in its Article 3, rejects the exemption of the price terms on substantive grounds because these "constitute an infringement of Article 85/1 of the EEC Treaty." The absence of notification is not even mentioned in this context.

The argument that the submission of the price terms on July 11, 1975, was not a proper notification because it was made only at the request of the Commission, started to play a decisive role only when Distillers appealed to the European Court complaining that the Commission did not appreciate properly the merits of its case, partly because its procedure was irregular and curtailed the possibility of a proper defence on the part of Distillers.

It is difficult to say whether Distillers really did improve the system of distribution by charging so much more to foreign customers in order to create funds, as it claimed, for promotion and advertising. But the fact remains that only shortly after the Commission had rejected the dual pricing by Distillers, it authorised a similar system of dual pricing by the Italian producers of Campari. This, in itself, would call for a thorough and balanced assessment of the merits of Distillers' case. But such a fair assessment was made impossible, as Mr. Advocate General J. P. Warner pointed out in his Opinion, by the manner in which the Commission treated evidence and denied a proper hearing to Distillers.

The Commission's case was largely based on a complaint received from A. Bulloch and Co., which was asked by Distillers to pay the difference on whisky which it had bought at domestic prices but exported to Belgium, and which was refused further supplies at the domestic prices. Bulloch's complaint, submitted by the Commission to the Advisory Committee on Competition in full and marked as "important," was shown to Distillers only after heavy-handed censorship deleted two very substantial parts.

One of these alleged that Distillers had a monopoly position, and the other contained an admission that Bullochs could not penetrate the Beligum market with its own brands of whisky because it could not afford the heavy advertising expense. Coming from the enemy, this confirmation of Distiller's argument that price protection was required to sustain foreign advertising costs would have been useful to the defence.

One might have hoped that the court, even if it found the Commission's decision was correct in substance, would at least have criticised the denial of a proper hearing to the accused party. But no. After ruling that the submission of a circular letter introducing new price terms was not a formal notification, and that in the absence of a formal notification Distillers could not be granted an exemption under Article 85/3 of the EEC Treaty, the court merely lists the complaints of procedural irregularities and concludes: "In view of what is said above, it is unnecessary to consider the procedural irregularities alleged by the applicant."

This unwillingness to deal with the allegation of the Commission's irregularities by using the argument that the complaining party fell short of the proper formalities appears particularly disconcerting when viewed against the background of the last two judgments handed down by the court simultaneously. These will be analysed in greater detail later, but it is evident at first glance that the court attaches important legal consequences to simple letters by the Commission's officials stating that the Commission does not intend to adopt a decision, and that the matter has been placed on a "dead" file.

Such letters can derive no legal effect from the EEC Treaty or Regualtions which all require that the decisions of the Commission must be arrived at only after proper consultation with representatives of member governments, and publicised so that those who feel harmed by them can appeal against them. But the court was quite happy to declare that such letters terminate the provisional validity of notified pre-accession agreements (or pre-1962 agreements in respect of the Six) and it ruled that such letters should be considered as "facts" by the national judge when considering the validity of any agreements under EEC rules.

* *European Court. Case Nos. (1) 32/79 (2) 152/78. (3) 30/78; (4) 99/79; and (5) 253/78 and 3/79.*

Hide for Catterick and Hamilton

RACING

BY DOMINIC WIGAN

RACEGOERS HAVE an unusually wide choice today for in addition to afternoon programmes at Bath and Catterick there is night racing at Kempton and Hamilton.

As might be expected, most top jockeys are in for double stints, including Edward Hide, who could well land the closing events on both the Yorkshire and Scottish tracks. The North's outstanding rider teams up again with Musketeer's Motto in Catterick's Dewsbury Maiden Stakes and there are strong grounds for thinking that the partnership can oblige. Last time out, Musketeer's Motto went down by only three-quarters of a length in Hamilton's mile-and-three-furlongs Lord Lyndoch Stakes after making Star Burst, to whom he was trying to concede four pounds, fight all the way to the line.

Although Hide's mount in the last at Hamilton, Soccia, has yet to trouble the judge in eight attempts, she showed ability several times last term, and again when an encouraging fourth on her seasonal debut. Provided that Hide can hold her up in the Rutherglen maiden stakes, from which Cardoon and Bold Polly have both been scratched, her ability if not her enthusiasm can see her home.

Only a neck separated Maryland Cookie and Portulaca when they finished fourth and fifth respectively in a 23-runner event at Salisbury on June 25, and they should again be locked together at the finish of Bath's Evershot Maiden Stakes. They meet on the same terms and again over the minimum trip with the Salisbury jockeys back in the saddle. Maryland Cookie, a 20-1 chance on the Wiltshire course, could have the greater improvement in her and I take her to hold Portulaca, whose owner, Miss Philippa Vaughan, saw her other filly, stablemate Bon Voyage, oblige at Folkestone on Tuesday.

BATH

2.30—Maryland Cookie***
3.30—Truth Will Out
4.30—Dawn Hail

CATTERICK

2.45—My Chantal
3.45—Spindrifter
4.45—Musketeer's Motto*

HAMILTON

7.35—State Councillor
9.05—Soccia

KEMPTON

6.40—Lightning Boy**
7.05—Gillson

ENTERTAINMENT GUIDE

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WHITEHALL THEATRE. 01-930 7765. CC. Paul Raymond presents FIONA RICHMOND and a Bedful of Beauties in WOT! NO PYJAMAS! Featuring Men Only Magazine's Sensational Playmates of the Year. Eves. 8.30. Fri., Sat. 6.15. 8.45.

WINDMILL. CC. 01-437 6312. Twice nightly at 8.00 and 10.00. Suns. 6.00 and 8.00. Paul Raymond presents RIP OFF. Hotter than ever for 1980. The erotic experience of the modern era. Fifth great year.

WYNDHAM'S. Air cond. S. 01-836 3028. CC bkgs. 379 6565. Evgs. 8.00. Fri. & Sat. 6.0 & 8.40. Dario Fo's farce ACCIDENTAL DEATH OF AN ANARCHIST.

YOUNG VIC. 928 6363. Eves. 7.30. Sat. 4.30 & 8.00. Ton't., Tomor. Tom Stoppard's REAL INSPECTOR HOUND/AFTER MAGRITTE. Sat. ROSENCRATZ AND GUILDENSTERN ARE DEAD.

CINEMAS

ABC 1 & 2 SHAFTESBURY AVE. 836 8861. Sep. perfs. ALL SEATS BKBLE. 1: NIJINSKY (AA). Wk. & Sun. 1.45. 4.40. 8.00. 2: BRONCO BILLY (A). Wk. & Sun. 1.20. 4.30. 7.50.

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BBC 1

6.40-7.55 am Open University (ultra high frequency only). 10.55 Golf: The Open. 1.30 pm Mister Men. 1.45 News. 2.15 Golf: The Open. 4.13 Regional News for England (except London). 4.15 Play School. 4.40 Excuse Me! 5.05 John Craven's Newsround. 5.15 We Are the Champions.

5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Decision in Detroit: A Panorama Special from the Republican Convention.
7.00 Arnhem '80: VI Olympic Games for the Disabled.
8.05 Bobby's Big Break.
8.30 Last of the Summer Wine.
9.00 News.
9.25 Square Mile of Murder.
10.15 The Royal International Horse Show.
11.15 All About Books.
11.50 News; Weather.

All Regions as BBC 1 except as follows:—

Cymru/Wales — 5.55-6.20 pm Wales Today. 7.00 Heddiw. 7.25-8.00 Ymryson Cwn Defaid. 11.50 News: Weather for Wales.

Scotland—9.55 am Noah and Nelly. 10.00 Jackanory. 10.15 The Perils of Penelope Pitstop. 10.35-10.55 Take Hart. 1.25-1.30 pm The Scottish News. 5.55-6.20 Reporting Scotland. 11.50 News: Weather for Scotland.

Northern Ireland—4.13-4.15 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.50 News; Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Newcastle); Look North-West (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South-West (Plymouth).

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
4.20 pm Golf: The Open.
7.20 Mid-evening News with sub-titles.
7.30 Camel Fair.
7.40 Film: "Hellzappin."
9.00 Call My Bluff.
9.30 Inside Story.
10.20 Cartoon Two.
10.30 Writer's Houses.
10.45 Newsnight.
11.30 Golf: The Open highlights.

LONDON

9.30 am Gardening Today. 10.00 About Britain. 10.25 The World We Live In. 10.50 Mystery Island. 11.05 The World of Wizards. 11.55 The Bubbles. 12.00 Little Blue. 12.10 pm Stepping Stones. 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 For Maddie With Love. 2.00 Here Today. 2.45 Send in the Girls. 3.45 Superstar Profile: Dudley Moore. 4.15 Bud Abbott and Lou Costello in Hollywood.
5.45 News.
6.00 Thames News.
6.30 An Exceptional Child.
7.00 Charlie's Angels.
8.00 The Cuckoo Waltz.
8.30 TV Eye: Reagan's Success.
9.00 Edward and Mrs. Simpson.
10.00 News.
10.30 Thames Report.
11.00 Lou Grant.
12.00 What the Papers Say.
12.15 am Close: Personal choice by Reginald Bosanquet.

All IBA Regions as London except at the following times:—

F.T. CROSSWORD PUZZLE No. 4,324

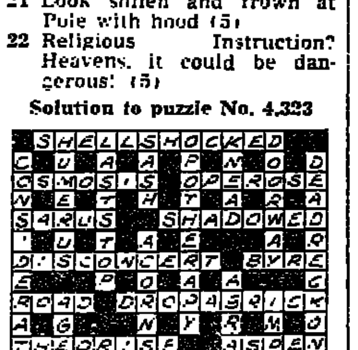
ACROSS

1 Turn up with the French shellfish (6)
4 A melody to force unnaturally (6)
8 Attribute to a writer (7)
9 Breaking a dividing line (7)
11 I literally must appear in debate but weaken (10)
12 It set me back also (4)
13 Article to Chartered Accountant in case (5)
14 Untimely condition of barren palm or wallflower? (8)
16 Good-bye from Far Eastern source (8)
18 Member of society holding mother and child (5)
20 Excite a commotion (4)
21 Encumbers with precious metal and is chafed with riding (6-4)
23 Overcoat for wan child (7)
24 Pacify ape with edible seeds inside (7)
25 Type of drum or kitchen boiler (6)
26 Prime time for mowing it's said (6)

DOWN

1 Moulded Eastern social class (5)
2 Red vehicle belonging to me . . . (7)
3 . . . needs oil and grease to make run smoothly (9)
5 Tear into shreds to irritate (5)
6 Article over shaft where insects nest (3-4)
7 No French for each male offspring could produce a nonentity (3-6)
10 Arrive and slip in avalanche (9)
13 Drink to draw off the lees, and stand for brown bread (5-4)
15 Record the speed of circuits with first of equipment and type of film that's speeded up (4-5)
17 Intent on putting spike on top of residence (7)
19 Debar from office and hang (7)
21 Look sullen and frown at Pole with hood (5)
22 Religious Instruction? Heavens, it could be dangerous! (5)

Solution to puzzle No. 4,323



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ADVERTISEMENT

CATHAY PACIFIC AIRWAYS

Britain's Trade Secretary, Mr John Nott, caused a stir in the airline world last month when he decided to licence three new carriers for the vital route between London and Hong Kong. The first airline to take up Mr Nott's invitation is Hong Kong's own airline, Cathay Pacific Airways, which starts a three-times weekly scheduled service from London's Gatwick Airport today (July 17th). In this supplement, Philip Ray describes Cathay's extensive international operations and its plans for this new London route.

Britain's biggest independent airline ready to break the London-Hong Kong monopoly.

Duncan Bluck, Cathay's Chief Executive and Deputy Chairman.

BY PHILIP RAY

The chances are that comparatively few people in Britain had heard of Cathay Pacific Airways before last month's decision by the Trade Secretary, Mr John Nott, to open up the air route between *London and Hong Kong to all* comers, breaking a long-standing British Airways monopoly.

So it may come as a surprise that Cathay can lay claim to being the largest independent British airline, even though the closest its network has ever come to the UK until today is Bahrain. Cathay carried more than 2.6 million passengers last year and with the introduction of services into London it now operates to 23 cities.

Route strength

The airline has built up to its present size entirely on the strength of its route network radiating from its main base at Hong Kong. But, since 1948, it has been owned by the City-based Swire Group, which currently holds 60 per cent of Cathay Pacific's equity via its Swire Pacific subsidiary. A further 25 per cent is held by the Hong Kong and Shanghai Banking Corporation and the remaining 15 per cent by British Airways Associated Companies.

However, whatever direct influence British Airways may have had on Cathay's operations at one time seems to have evaporated now. The two airlines already compete on a number of sectors in the Far East and will be fighting strongly for the London – Hong Kong traffic.

More flights

While Cathay Pacific's name has not been widely known in the UK until recently, it is familiar to regular *travellers to the Far East – it* operates more flights in and out of Hong Kong than any other carrier – and to the British travel trade. Cathay has maintained a London sales presence since 1964 to tap business for its Far East network from UK travel agents and from other airlines. This business has increased tenfold in the 16 years that the office has been open and turnover this year was running 20 per cent ahead of 1979 even before Mr Nott's decision to grant Cathay the London route was announced.

In the past month, Cathay's name has become much more familiar in the air-travel market-place. It stole a march on its competitors by placing prominent advertisements in the national press the day after Mr Nott's announcement and has followed this up with a hard-hitting campaign over the launch period. And it scored a major competitive point by ensuring that it will be the first of the new carriers licensed for the route actually to start operations.

There had been speculation for some years in the airline business that Cathay Pacific ultimately wanted to serve London, and these rumours were reinforced in 1976 when it inaugurated a route from Hong Kong to Bahrain – a logical stepping-stone for a service to the UK.

Cathay's planners had certainly examined the possibility of a London service from time to time but the idea had always been turned down. The Labour Government's attitude *to airline competition* and the fact that British Airways holds 15 per cent stake in Cathay were inhibiting factors, but the return of the Conservative Government in May last year meant that the prospects for competition on the London-Hong Kong route were much brighter. Pressures for a competitive air service were also building up from the Hong Kong business community, which was becoming increasingly dissatisfied with the poor punctuality and seat availability on British Airways' services.

Controversial

Cathay's decision to go ahead with an application for a London-Hong Kong service was followed by one of the most protracted and controversial licensing battles for many years with two other carriers, British Caledonian and Laker, also seeking the route. Lengthy public hearings took place before both the Hong Kong Air Transport *Licensing Authority and the* UK Civil Aviation Authority and the saga ended with Mr Nott's decision to grant licences to all the applicants.

In his formal decision, Mr Nott said that it would be "unreasonable" for airlines based in the UK to be granted exclusive rights for services between London and Hong Kong where there was an airline in the territory "willing and able" to operate on the route. Mr Nott also accepted the evidence submitted to the CAA on the loyalty which Cathay commanded in Hong Kong and on the traffic which *it could feed into the London* service from other points on its network.

Battle

The stage is now set for a competitive battle on the Hong Kong route reminiscent of the North Atlantic after the introduction of the Skytrain service. The difference, though, is one of scale. The London-New York route – served by two British and two US airlines – accounts for about 1.25 million scheduled passengers a year while no more than about 200,000 passengers travelled between London and Hong Kong last year. In Mr Nott's view, however, there is a "large, untapped market" for the route if fares are pitched at the right level.

Cathay's management must have greeted Mr Nott's ruling with mixed feelings. The airline was certainly delighted that it had scored a notable victory by persuading the Trade Secretary to overturn a CAA decision for the first time since the Authority was set up in 1972. At the same time, though, Cathay had argued at the CAA hearing that there should be only two carriers on the route – itself and British Airways. Its chief executive, Mr Duncan Bluck, told the Authority that under a multi-airline regime all the carriers would be operating at less than break-even loads so that development of the route would be inhibited.

Determination

To license all three applicants, said Mr Bluck, would result in "wasteful duplication" of effort and in any such confrontation Cathay would be the only survivor. This tough attitude underlines the airline's determination to succeed on the London-Hong Kong route, and the implication behind Mr Bluck's comments to the CAA is that the airline is prepared to invest heavily in order to maintain its *competitive position.*

The airline is certainly in a strong financial position to stand up to tough competition; in fact, its home ground in the Far East is one of the world's most competitive airline environments, where International Air Transport Association agreements on fares have never held much sway. Cathay has operated profitably every year under Swire ownership and its annual growth rate over the past 20 years has averaged 22 per cent.

Profit

Cathay Pacific does not *publish its profit figures*, but Swire Pacific's annual report for 1979 shows that its airline and airline services division – which includes both Cathay and its related aviation activities – had a turnover of HK$ 2,111 million (about £182 million) and an operating profit of HK$ 225 million (£19.4 million).

Much of the airline's underlying strength is rooted in its diverse activities as a group. Cathay looks after ground handling for 37 airlines using Hong Kong's Kai Tak Airport, and its associated company Hong Kong Aircraft and Engineering Company (HAECO) undertakes maintenance not only for Cathay itself but also for a number of airlines operating into Kai Tak. Another associated company, Swire Air Caterers, prepared up to 18,000 meals a day for 26 airlines in its kitchens at the airport.

Buying British

While billing itself correctly as "Hong Kong's own airline", Cathay emphasises its basic nationality by buying British wherever possible. It has usually bought US-built aircraft but it has specified Rolls-Royce engines for all its Super TriStar and Boeing 747 fleets. In fact, it expects that by the end of 1982, when its Boeing 707s will have been phased out, it will be the only international airline in the world to have a completely Rolls-Royce-powered fleet.

Apart from Roll-Royce engines and spares, Cathay has also bought a significant amount of equipment from UK companies, including flight simulators, seats and galleys, and all its substantial insurance is placed through London brokers.

CATHAY PACIFIC FACTS AT A GLANCE

Fleet:	2 Boeing 747-200B 9 Lockheed Super TriStar 4 Boeing 707-320C
On order:	3 Boeing 747-200B
Flights per week:	400
Unduplicated route mileage:	48,160
Passenger carryings 1979:	2,629,536
Average passenger load factor 1979:	67.3%
Cargo carried 1979 (tonnes):	86,230

CATHAY PACIFIC AIRWAYS *ADVERTISEMENT*

Firm booking the keynote of new Hong Kong fare structure.

It is, perhaps, a measure of Cathay Pacific's confidence in its prospects for the London–Hong Kong route that it has not joined in the headlong rush to come up with the lowest fare on the route.

What Cathay does claim, though, is that its mid-week budget fare of £151 one-way is the lowest to give the traveller a firm booking on the flight of his choice. It points out that lower fares offered by its competitors on the route are available only on a "take-a-chance" basis, either as a last-minute standby fare or as a "conditional reservation" for which the passenger can nominate only the week in which he wishes to fly and the airline itself chooses the actual flight.

Firm Bookings

Cathay Pacific says that it gave "careful consideration" to the introduction of standby fares but in the end considered them to be "unsuitable" for both the Honk Kong environment and the traveller. It feels that the typical passenger to Hong Kong wants firm bookings – both for his flight and for hotel accommodation. A breakdown of the full Cathay Pacific fare structure between London and Hong Kong is shown in the accompanying panel.

Cathay will be starting its London service with three flights a week initially, the level for which it is licensed by the Hong Kong Air Transport Licensing Authority. It can always apply to the Licensing Authority for an increase in this frequency, although it is likely to take a cautious attitude towards expansion until it has a better chance of seeing the results of the tough competition on the route.

It is operating from Gatwick every Monday, Thursday and Saturday at 10.15 hrs, calling at Bahrain from 18.25 to 19.25 and arriving at Hong Kong at 08.15 the following morning. In the opposite direction flights leave Hong Kong on Wednesday, Friday and Sunday at 22.40, calling at Bahrain from 01.55 to 02.55 and arriving at Gatwick at 07.45. The flights are not at present available to passengers travelling only between London and Bahrain.

Cathay is operating the London–Hong Kong route with the 408-seat Boeing 747-200B powered by Rolls-Royce RB.211 engines, and it will be offering the three-class system which is rapidly becoming the norm on long-haul international services.

Sleeper Seats

The most expensive first-class one-way fare of £1,124 provides passengers with one of the 12 sleeper seats in the upper-deck lounge of the 747. These seats are pitched at a generous 55 inches and recline by 58 degrees so that passengers can enjoy a sleep in comfort on the overnight sectors of the flight.

There are 26 additional first-class seats on the main deck, but as passengers do not have access to the upper sleeper deck they qualify for a 10 per cent discount on the full first-class fare.

The cabin immediately behind first-class has 54 seats for full-fare economy-passengers travelling in what Cathay is marketing as "Marco Polo" class, and they qualify for special check-in procedures and more lavish in-flight catering, while adjacent seats are left empty wherever possible. The remaining three cabins, with a total of 316 seats, are allocated to passengers travelling on all other fares.

High Reputation

Cathay Pacific has never been a member of the International Air Transport Association, so it has not been inhibited by restrictions on what it may serve to its passengers. As a result, the airline has acquired a high reputation for its cabin service and has won a number of international cuisine awards. It will be pulling out all the stops to maintain its standards on the London run with 19 cabin attendants, all Asian, allocated to each flight.

Children's Menu

Free drinks will be served on all sectors and there will be a choice of menu in first class and Marco Polo class. A typical first-class lunch menu will include Scotch smoked salmon and a choice of roast Angus beef, grilled Veal Morel or ginger duckling Shan Tung followed by cheeseboard and fresh fruit or fruit tart. Less sophisticated fare will be provided for children, with such gastronomic delights as spaghetti meat balls and frankfurters. For addicts of in-flight movies, one film will be shown between Gatwick and Bahrain and another between Bahrain and Hong Kong.

New London Office

To market the new service in the UK, Cathay has opened a street-level office in London's Pall Mall, with reservations terminals linked directly with the central computer in Hong Kong so that seat availability can be confirmed instantaneously.

Cargo loading at Kai Tak.

New cargo connection eases Far East capacity problem.

As befits an airline based in a notable entrepot centre like Hong Kong, Cathay Pacific Airways is much more heavily involved in the air-cargo market than many of its competitors.

Last year it carried more than 86,000 tonnes of freight on its system and this accounted for no less than 20 per cent of the airline's total revenue. And Cathay emphasises the importance of cargo by operating one of its Boeing 707-320Cs in an all-freight configuration on scheduled services between Hong Kong, Bangkok, Singapore, Tokyo and Kaohsiung, while belly-hold cargo is also carried on all its scheduled passenger services.

Even before gaining its licence to operate between London and Hong Kong, the airline has built up strong connections with cargo shippers in the UK and on the Continent and this European business is already providing Cathay with more than $2 million (US) worth of business a year.

The new three-times-weekly service between Gatwick and Hong Kong now gives Cathay a chance to exploit this traffic more aggressively. "There is a need for more cargo capacity from the UK to Hong Kong," says Mr Ted Smith, Cathay's general manager for Europe. "At present many shippers are having to truck consignments to the Continent."

Cathay's cargo sales drive is also majoring on the fact that it will be able to offer shippers single-airline service to all the 20-plus cities on its Far East network. The Boeing 747-200B which is operating the Gatwick–Hong Kong link can carry up to 12 tonnes of freight in its bellyhold in nine LD-3 containers and four 96 x 125 pallets. Cathay's cargo manager, Europe, Mr Colin Clements, says that prospects for the route are "looking good" and that a lot of interest has been expressed by shippers in the new service.

The airline has opened a new cargo facility in the freight area at Gatwick Airport by taking over offices previously used by British Cargo Airlines and by recruiting three space controllers. It is also setting up its own trucking operation to transfer shipments between Heathrow and Gatwick.

Trade between the UK and Hong Kong is running at healthy levels, so Cathay does not expect too many problems in selling its cargo capacity on the new route. It points out that Britain increased its exports to Hong Kong by 46 per cent last year and was the colony's sixth largest source of imports, while exports from Hong Kong to the UK in 1979 were up by no less than 54 per cent over the previous year.

Typical consignments which Cathay expects to carry from the UK will be British cloth and electrical parts which will be made up into finished products in Hong Kong and then air-freighted back to the UK.

First-class comfort.

CATHAY PACIFIC LONDON – HONG KONG ONE-WAY FARES

Fare type	Fare level	Conditions
First-class sleeper	£1,124	—
Normal first-class	£1,012	—
Full-fare economy	£558	—
Point-to-point economy	£444	Cannot be purchased in conjunction with onward or feeder sectors.
Special resident point-to-point	£370	Available only to residents of UK or Hong Kong.
Special family fare	—	50% discount for up to three dependent relatives accompanying passenger paying point-to-point or more expensive fare.
Special thrift fare	£204 peak £177 off peak	To be booked and paid for at least 14 days in advance. Available any flight.
Mid-week budget fare	£151	Available for travel on flights departing between Monday and Thursday. Fare to be paid at least 14 days in advance.

هكذا من الأصل

CATHAY PACIFIC AIRWAYS — ADVERTISEMENT

New Gatwick feeder route to extensive Orient network.

One side effect of the decision by the Trade Secretary, Mr John Nott, to liberalise the air route between London and Hong Kong is that it could well open up a "battle of the gateways."

The attractive low fares now available on the route mean that business and holiday travellers to the Far East may well find that they can make substantial savings by booking to Hong Kong rather than to rival gateways like Singapore or Manila, and then taking a connecting flight to their final destination.

More Flights

Cathay Pacific is well placed to cater for an inrush of new traffic using Hong Kong as a Clapham Junction of the air because it operates more flights in and out of the colony than any other airline and serves virtually every destination of importance in the Far East region.

In fact, the existence of Cathay Pacific's feeder network was an important factor in Mr Nott's decision to grant it the London route, because many of the destinations which it serves in the Far East have no direct air links to the UK.

The days are long since gone when Cathay Pacific could be regarded mainly as a short-haul airline. Its route from Tokyo to Sydney via Hong Kong, for example, is 6,551 statute miles – further than London–San Francisco (5,351) or London–Bangkok (5,929).

Frequent Services

One of Cathay's best qualifications for the London route is that it is not exactly unfamiliar with competition. Between Hong Kong and Tokyo, for instance, it has to fight for market share against about a dozen other airlines and it operates three flights a day on the route. It faces even more competition on the Hong-Kong–Bangkok sector, on which it has up to four flights a day, and it also offers frequent services on other highly competitive regional routes from Hong Kong to Singapore, Kuala Lumpur, Manila, Seoul and Taipei.

In Japan, Cathay serves Fukuoka, Osaka and Nagoya in addition to Tokyo, and to the south, regional gateways include Penang, Jakarta, Kota Kinabalu, Brunei and Port Moresby.

Australia Route

Cathay's first long-haul routes were to Australia, where it now serves Sydney, Melbourne and Perth, and subsequently it introduced flights from Hong Kong to Dubai and Bahrain – a move which first led to speculation that it eventually wanted to serve London.

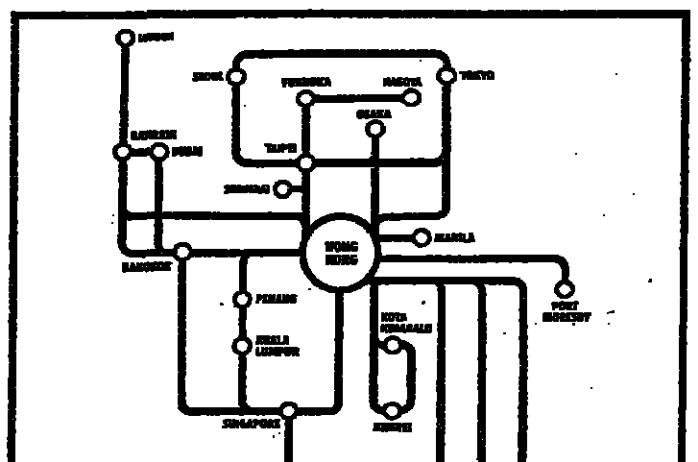
Bahrain Stop

Bahrain is, in the event, the one and only en-route stop for the Gatwick – Hong Kong service. At present Cathay does not have traffic rights to carry passengers travelling only between London and Bahrain, although the airline's chief executive, Mr Duncan Bluck, told the UK Civil Aviation Authority earlier this year that he did not anticipate any difficulty in obtaining these rights.

Shanghai Service

One of the latest additions to Cathay's network has been a twice-weekly service from Hong Kong to Shanghai and, under the terms of the UK-China air services agreement, it eventually expects to serve Peking as well.

Cathay does not yet have a trans-Pacific route, although it has ambitions to fly from Hong Kong to Vancouver, a route which is not currently served by a British carrier.



Three Decades of Profitable Flying.

Any airline based in a bastion of free enterprise like Hong Kong has to stand or fall by its own efforts, and Cathay Pacific's development over the years has been achieved without any Government subsidy – unlike many of its competitors.

It started operations immediately after the Second World War when two wartime pilots – one an Australian and one an American – decided to form an airline and registered Cathay Pacific in Hong Kong in 1946.

Using Douglas DC-3s, they started a classic "tramping" operation, flying woollen goods from Sydney to Shanghai via Manila, picking up whatever cargo or passenger traffic was available for the return flights.

The DC-3 fleet was expanded and charter traffic built up until 1948, when governments began to become more involved in the regulation of the burgeoning post-war air transport business and started rationalising air routes and the airlines that operated them.

Cathay Pacific was granted traffic rights on southbound routes from Hong Kong in 1948, and the same year the long-established Swire Group took a majority share in the airline with Australian National Airways – later absorbed by Ansett Airlines of Australia – buying a minority stake. The Swire Group still has the majority 60 per cent shareholding in Cathay Pacific, with the Hong Kong and Shanghai Banking Corporation holding 25 per cent and British Airways Associated Companies the remaining 15 per cent.

The injection of new capital in 1948 provided the impetus for a programme of rapid expansion which has continued to the present day and was helped by the acquisition of another airline, Hong Kong Airways, in 1959. At the time of the Swire take-over Cathay's fleet consisted of seven DC-3s and two Catalina flying-boats, and the airline operated scheduled services from Hong Kong to Manila, Bangkok, Singapore and Rangoon. In 1949 it added a DC-4 and opened new routes to Saigon, Haiphong and North Borneo.

During the 1950s Cathay continued to add new routes and expanded at an average annual growth rate of more than 20 per cent compared with 10 per cent for the airline industry generally. The fleet was also modernised by the addition of DC-6 and DC-6B aircraft, followed by one of the first of the new generation of turboprop airliners, the Lockheed Electra.

In the early 1960s Cathay entered the jet era with the purchase of nine Convair 880Ms, which were replaced in the 1970s by 12 Boeing 707s. The mid-1970s saw the introduction of wide-body jet equipment in the shape of nine Lockheed Super TriStars and, more recently, Cathay Pacific has bought the Boeing 747, the type which is operating the new service between London (Gatwick) and Hong Kong. The airline currently has two 747s in service and three more are on order.

Expansion of Cathay's route network has continued steadily and it is now one of the most extensive in the Orient. From being a purely regional airline Cathay has gradually extended its operations to the point where it is now a major international airline in its own right, with its network extending from Korea in the north to Melbourne in the south and, now, to London in the west. Its system now extends over 48,160 unduplicated route miles and it has more flights in and out of Hong Kong than any other airline.

Record Review

British lions by KEVIN HENRIQUES

When the history of British jazz is eventually written Chris Barber and Humphrey Lyttleton will figure prominently and their all-important influence on the development of the local scene, on musicians and even on audiences will receive due documentation and recognition. Both men have trodden separate and highly personal paths, both have eschewed perpetuating the style of jazz they played at the outset of their respective careers. The music of both has evolved in a way which is natural yet, paradoxically, not totally unpremeditated.

The striking evolution of trombonist Chris Barber's music is fascinatingly unfolded on the 34 tracks of the three-volume *Chris Barber Story* (Black Lion, BLM 51003 to 5), the sets chronologically entitled "In the beginning," "Visiting influences" and "In the seventies." Starting with the leader's oh-so deliberate 1980 voice-over on a scratchy 78 rpm recording of "Gatemouth," made by his amateur band of 1949, the successive Barber groups and the various shifts in style and approach are recalled in performances (quite a few live) on which practically all his leading sidemen of the past 30 years are represented.

This aural biography of Chris Barber and his (now titled) Jazz and Blues Band, offers delights so numerous that not even a handful can be mentioned. But do compare the early, insecure playing of trumpeter Pat Halcox with his most recent efforts, especially on flugel-horn (on "Oro" for instance). His improvisations are now expressive and totally rounded; he is arguably the most creative improviser the band has had.

Devotees of Barber's enthusiastic blues policy will savour the bluesy pop-rock guitar of Rory Gallagher on "Drat that Fratie Rat" while elsewhere other guests with the band include Ray Nance, Russell Procope, Edmond Hall, Louis Jordan, Sonny Boy Williamson, plus rousing gospel sounds from Alex Bradford.

It so happens that Barber and Lyttelton, two of the leading lions of British jazz, record for the same label, Black Lion. Among recent releases from the trumpeter are a "best of" compilation and an album recorded last February with his present line-up. *The Best of Humphrey Lyttelton* (BLM 51002) does not hark back to his early days but picks up the story somewhere in the early 1970s—unlike the Barber set this issue is strangely coy about recording dates.

As always with Lyttelton the music is a mixture of familiar tunes wrapped in a freshly-minted, never gimmicky package, plus originals by the leader himself. His trumpet duet with Mick Pyne on "That's my home" is a shining gem. Along the way there are stand-out contributions from baritone-saxist Malcolm Everson and tenorist/soprano-saxist Kathy Stobart, both no longer with the band, as well as consistently inventive solos from altoist Bruce Turner. There are also two songs from Elkie Brooks to remind us of a genuine jazz-influenced singer lost to the more lucrative pop world.

One Day I Met an African (BLP 12199), named after a Kenny Graham original for the 1959 band and re-done here, underlines the quality of the current Lyttelton group. Its most recent recruits, trombonist Roy Williams and saxist Johnny Barnes, excel throughout.

The broad compass of Lyttelton's constantly enterprising policy is forcefully illustrated by the material which ranges from one of his own pieces, "Hopfrog," breezily done as a feature for the Baroque Ensemble (the band minus the rhythm section) and the Tadd Dameron bebop standard "Hot House" where Mick Pyne shows his versatility as an impressive cornet player.

Another Black Lion artist is trumpeter Digby Fairweather who, incidentally, wrote the sleeve note for the Lyttelton compilation (incest is obviously de rigeur on this label!) and his *Going out Steppin'* (BLP 12190) is a peach of an album of songs associated with the 1930s. It would be pleasant to recommend it unreservedly but two reasons obtrude. First, the needless inclusion in places of synthesiser sounds, doubtless in place of a string section which would itself have been superfluous. Second, and more serious, on some of the absurdly small number of records manufactured there were pressing faults (mine was one) and would-be buyers should insist on hearing both sides before parting with their money.

Another lion of British jazz is tenorist Tony Coe who has often shown he has nothing to fear when placed alongside those tough brutes from the U.S. He proves this again on an album recorded live at the Pizza Express in Dean Street, W.1, last year (Pizza PE 5504).

Sharing the stand with him is that gurgling, flamboyant ex-Basie trombonist Al Grey whose happy jazz outlook contrasts perfectly with Coe's more serious, more searching playing, always tinged with his very personal tone. In six familiar standards, which together add up to a generous playing time of 52 minutes, the two spark each other into some top-nch playing.

In the rhythm section pianist Brian Lemon plays so well as to shame the many who have taken him for granted so much in the past. An added piano bonus is the substitution on some tracks of American Roger Kellaway who, every time he drops in on a London session, forces listeners and musicians alike to sit up with a jolt.

Leaving the white lions of British jazz and turning to the black lions from America fullest recommendation extends to two releases featuring the music of bassist/composer Charlie Mingus who died last year. The first is a double album (Atlantic SD 2-3001), recorded by his group live at the 1960 Antibes Jazz Festival and never previously released. All compositions are by Mingus except "I'll Remember April" on which guest pianist Bud Powell is featured. The others are typically energetic, surging Mingus opuses, full of variety and time changes.

"Wednesday Night Prayer Meeting" and "Better Git Hit in your Soul" are two oft-heard Mingus pieces which receive thorough examination from soloists Ted Curson (trumpet), Booker Ervin (tenor-sax) and Eric Dolphy on alto-sax and bass clarinet, all spurred by the totally committed Mingus. All the qualities forever associated with the bassist, notably throbbing excitement, are manifest on this outstanding LP.

Inevitably similar excitement is missing from *Chair in the Sky* (WEA 99 081) by Mingus Dynasty, the group of former Mingus sidemen put together by his widow and which played at various European festivals last summer. The group on this record is not quite identical but there is much good music to be heard.

Chris Barber

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1976=100), retail sales value (1976=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1979							
1st qtr.	110.4	102.5	98	100.7	134.0	1,351	234
2nd qtr.	114.8	107.0	107	106.2	144.8	1,299	256
3rd qtr.	112.6	103.1	99	99.5	144.6	1,269	247
4th qtr.	112.5	103.8	105	101.7	151.9	1,286	230
Dec.	111.9	103.6	104	101.7	153.1	1,294	219
1980							
1st qtr.	110.6	100.9	97	103.2	157.8	1,379	193
Jan.	112.0	102.2	87	103.1	155.5	1,339	207
Feb.	110.6	101.4	98	103.9	158.5	1,383	191
March	109.0	98.5	106	102.6	159.4	1,414	181
April	107.1	98.3		102.3	161.0	1,458	169
May	107.0	97.2		100.6	160.2	1,484	163
June						1,534	147

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1979							
1st qtr.	105.9	99.1	127.0	98.7	98.4	100.0	12.9
2nd qtr.	108.8	102.7	133.1	102.6	110.0	103.4	21.3
3rd qtr.	105.9	95.9	132.3	94.7	103.8	100.6	21.0
4th qtr.	105.0	101.0	129.5	98.9	102.6	96.0	18.1
Dec.	105.0	102.0	127.0	100.0	100.0	93.0	15.0
1980							
1st qtr.	105.2	101.6	124.8	99.3	63.1	91.7	12.3
Jan.	107.0	103.0	127.0	102.0	65.0	94.0	13.2
Feb.	106.0	103.0	124.0	101.0	59.0	92.0	11.4
March	103.0	99.0	124.0	95.0	65.0	89.0	12.2
April	101.0	98.0	121.0	95.0	81.0	88.0	15.0
May	99.0	96.0	123.0	93.0	97.0	85.0	17.0

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1979							
1st qtr.	109.0	116.9	−1,588	−1,215	−235	107.0	16.78
2nd qtr.	135.3	128.9	−486	−357	−229	160.4	21.69
3rd qtr.	129.8	128.1	−493	−83	−158	106.8	23.18
4th qtr.	129.3	128.9	−745	−711	−157	103.7	22.54
Dec.	131.3	131.2	−252	−229	+88	102.6	22.72
1980							
1st qtr.	131.3	126.5	−723	−417	−126	100.7	24.87
Jan.	129.8	128.0	−315	−213	−76	100.9	23.71
Feb.	136.5	128.9	−232	−130	−45	100.6	23.93
March	127.7	122.7	−176	−74	−5	100.6	26.96
April	127.2	127.6	−264	−214	+44	101.8	28.01
May	130.2	121.4	−18	+32	−10	102.0	28.28
June	130.3	125.3	−17	+33	−15	103.4	28.17

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1979							
1st qtr.	7.6	9.3	32.6	+1,525	777	1,581	13
2nd qtr.	9.7	17.2	28.5	+2,707	777	1,867	14
3rd qtr.	15.5	10.2	13.2	+2,409	933	1,879	14
Dec.	5.1	12.6	16.2	+250	161	593	17
1980							
Jan.	−6.9	8.1	22.6	+738	235	688	17
Feb.	−6.7	6.1	20.7	+272	199	665	17
March	−2.3	7.5	25.4	+705	200	641	17
April	−3.4	4.8	13.8	+678	266	676	17
May	4.0	11.4	21.9	+1,122	225	621	17
June					206		17

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1979							
1st qtr.	144.2	153.4	161.6	206.9	218.8	268.88	64.0
2nd qtr.	147.3	163.3	168.0	216.5	225.2	293.55	67.4
3rd qtr.	154.2	169.9	176.4	231.1	231.9	301.66	71.0
4th qtr.	161.7	183.9	181.8	237.6	237.2	295.13	68.8
Dec.	165.1	187.5	183.4	139.4	239.9	295.13	69.7
1980							
1st qtr.	167.7	197.6	191.5	248.8	247.5	284.47	72.4
Jan.	163.0	193.5	188.5	245.3	244.3	308.69	71.4
Feb.	167.3	197.6	191.5	248.8	246.7	304.27	73.2
March	172.8	200.4	194.3	352.2	251.1	284.47	72.6
April	175.0	202.4	197.0	260.8	254.1	275.67	72.6
May	177.9	200.5	199.1	263.2	255.7	268.23	74.3
June		201.3	201.0				

* Not seasonally adjusted.

Lyttelton

The Elephant Man

Bernard Pomerance's interesting play is not much changed since I saw it at Hampstead nearly three years ago, though the production, under Roland Rees, is enlarged to fit the bigger stage of the Lyttelton. It tells the story of John Merrick, a man hideously deformed, who was rescued from public exhibition by the surgeon Frederick Treves and turned from near-animal into something like a man.

The wealthy and the aristocratic visited him, to persuade him that normal communication was possible to him. The clergy told him about Heaven, where the crooked are made straight. Madge Kendal the actress showed him her body, much to Treve's indignation. What they could not do was cure his deformities, and though when he died four years after admission to hospital he had acquired the beginnings of culture, he died unhappy and unfulfilled.

Merrick is given a remarkable performance by David Schofield, who can turn his normal, indeed handsome, body into that of a hideous cripple by a displacement of his hips, shoulders and legs, without the use of any artificial help. His terrible state is emphasised by the contrast with Peter McEnery's Treves, ideally upright and proper—another admirable performance. Jennie Stoller as Mrs. Kendal has the only other deeply-written part.

Mr. Pomerance's writing, in fact, is never quite as good as his story deserves. The play is divided into short, phlegmatic scenes like the squares of a strip cartoon, and the language mixes flowery Victorian with intrusive phrases like "You're telling me." "OK." "Bloody." "Having me on." When I saw the play before, I sensed some disapproval of the upperclass interest, as if they were playing their Christian-morality cards out of mere condescension. I didn't feel this on Tuesday night: indeed the upper classes come out of it better than they are often allowed to nowadays. But socialogy apart, the play should not be missed.

B. A. YOUNG

Peter McEnery, David Schofield and Arthur Blake

Riverside Studios

A Dying Business

Roy has returned home to Trinidad for a funeral and is arranging wreaths round the open coffin. Gentle as always, Mustapha Matura's contribution to Plays Umbrella suggests early on that Roy is out to revenge the death of his hard-working father. To this end Roy has ordered all the wreaths himself, in order to attract more mourners and a few contributions to a memorial fund.

Given so Jonsonian a plot device, it is surprising how attenuated Mr. Matura's comedy then proves. For a start Michael Joyce's production never really recovers from an offstage participation in the conversation by Roy's mother, who eventually appears in a black veil to impress the gathering. When we can hear Yvonne Ali during that first half hour, she comes across as a calculating snob, softened by a characteristic mature line in idiomatic inflections. Apart from the coffin, a couple of purple drapes and a severe formation of hired funeral chairs, Alison Chitty's stage picture is a barren composition. And Mr. Joyce has trouble preventing his cast from standing in a straight line to compare stories about the dead man, and, after the interval, to drink a series of hectic toasts to the deceased, the Prime Minister, and, in a tipsy climax, the Queen.

Although there is a reasonably funny conclusion to Act I, with Joe Marcell's grisly old friend and Rudolph Walker's pretentiously fat-cat boss writing cheques in competition with each other on either side of the coffin, the comedy is in sore need of a textural boost. Roy's revenge drive disappears for long periods allowing Lucita Lijertwood to swagger ingratiatingly around the stage as an intrusive friend who has combined with the dead man to ensure security in the home.

Roy returns to London and his "accountancy career" (we are invited to guess at a more rakish interest in figures on his part) after discovering his dad's friends are no more devoted to remembering the dead than he is.

Although a West Indian section of Tuesday night's audience received the dialogue with a rapture more appropriate to Viv Richards' massacre of Bob Willis at Old Trafford, I would place this play quite low in the Matura works. With the notable exception of Malcolm Fredericks, a live and pleasant actor, whose open countenance belies Roy's inner purpose, the acting is unashamedly coarse-grained.

MICHAEL COVENEY

Holland Festival

Fools in Holland by OSSIA TRILLING

This year's Holland Festival, the 34th and therefore as old as Edinburgh, was unusual in that it overlapped with the Festival of Fools. The Holland Festival proper has recently undergone a radical and improving change. Three years ago it acquired a new "theatre director" in Arthur Sonnen, who has worked closely with its then newly-appointed artistic director, the harpsichordist Frans de Ruiter. Their policy has been to enlarge the contribution of the drama, both native and foreign, by inviting several major troupes in a selection from their current repertoire. This year West Germany with indispensable funding from the Goethe Institute, sent Peter Stein's Schaubühne am Halleschen Ufer with three and the West Berlin Grips Theater with seven plays, together with a Horvath programme from the Düsseldorf Schauspielhaus; the U.S. was represented by Robert Wilson in a two-hander, and Ping Chong and The Fiji Company in a surrealist multi-media show about colonialism, from New York; and Britain by Lindsay Kemp.

The Festival of Fools might have been called this year's "fringe." It added a great deal of welcome fun and colour and made theatre-going an adventurous, at times even a hazardous, affair. Launched six years ago as a Dutch event it was this year taken over by the Internattional Theatre Institute, who combined it with its annual festival of the Theatre of the Nations, the sixth since becoming a moveable feast in Warsaw in 1975, and peregrinating via Paris, Belgrade, Caracas, and Hamburg to Amsterdam. Though Mr. Sonnen claimed that the two festivals were not connected, a good many visitors used the presence of both to savour a bit of each.

The Festival of Fools lasted just under three weeks and was held in a vast dry dock in the north of Amsterdam, a marvellous—if out of the way—location, because of its numerous warehouses, workshops, yards and open spaces for the use of 90 or so different productions and one-man-shows from some 50 countries. The jolly, good-humoured and raucous atmosphere of a fairground, with its booths, tents, stalls, and indoor and outdoor venues, reigned supreme, despite much hanging about and constant changing of time, place, and event, as when a Polish avant-garde troupe was refused exit visas by its authorities; though this non-event led to an unrehearsed open-air demonstration by a handful of individual members of the company who turned up unexpectedly.

Britain was represented by some of its better-known fringe theatres, lunatic-fringe theatres, some might be called, in view of the prevailing note of tomfoolery and circus clowning. At one end the marvellously eccentric mistress of mime Nola Rae; at the other the inanities of the Friends Mobile Theatre, with their zany audience-involvement happenings, organised in a huge, inflated, priopic open-air auditorium. One provocative item among the countless solo-acts was the epicene American Bob Carroll's shameless recital of the life-cycle of the river salmon, thrown at a somewhat bewildered audience with a total lack of vocal or bodily inhibition.

Much of the work of the Grips Theatre, though given at the Holland Festival proper, could have adorned the rival affair, because it was clearly written for the type of young audiences that swarmed there. A case in point was Volker Ludwig's *Max and Mill*, for five-year-olds, or Roy Kift's *Stronger than Superman*, for eight-year-olds. Though a Briton, Kift is now the Grips' resident dramatist, and his *A Party for Papakadis*, a drama about immigrant workers, written in German for the over-eights, which struck many a chord among Holland's multinational audiences, has been Anglicised by the author, with Pakistanis and Jamaicans replacing Greeks and Turks for its coming British première.

Albert Hall

The Light of Life

Tuesday evening's concert, given by the Royal Liverpool Philharmonic Orchestra and Chrous conducted by Sir Charles Groves, was the final event in a short Elgar choral festival, intended to raise funds for renovating the composer's birthplace at Broadheath, Worcestershire. It was attended by the patron of the Elgar Foundation, the Prince of Wales. Previous concerts have presented the three major oratorios, but here the net was cast more widely. The wartime *The Spirit of England*, settings of Laurence Binyon (including "For the Fallen") for soprano soloist and orchestra, which mingle characteristic melancholy echoes of the later Elgar with direct quotes and paraphrases from *The Dream of Gerontius*, was the major work in the second half of the concert. In the first half, however, we had heard the even less familiar product of the early 1890s, *The Light of Life*.

It has frequently been remarked that if Elgar had been born German and Richard Strauss English, the former would have written operas and the latter oratorios. The familiar Elgar canon, covering only some 20 years of his life, scarcely hints at any operatic ambitions; even in *Gerontius* the theatrical *coups* are already totally integrated into the sacred choral context. But *The Light of Life* reveals an earlier stage in his development. The idea of a trilogy of New Testament oratorios occupied Elgar for much of his life—though only *The Apostles* and *The Kingdom* were completed—and this retelling of the story of Christ's healing of the blind man (in a fairly dreadful concoction of biblical texts by Edward Capel-Cure) was intended as the prelude to the cycle.

The reasons for its neglect are fairly clear on first hearing. Much of the choral writing in particular is uninspired; the use of a contralto narrator hinders instead of speeds the action; the character of Christ is never given a chance to express itself. But there are, nevertheless, some curious sidelights on Elgar's early influences: Wagner (*Parsifal* in particular) may still be detected in the later choral works, but Verdi and Massenet were never allowed to penetrate beyond *The Light of Life;* the miasma of the English Choral Tradition would see to that. Elgar here seems in a no-man's land between a more direct presentation that would need a stage, and the clipped understatement of sacred oratorio. The control of orchestral effect is already apparent, but choral mastery came more slowly and possibly less willingly. Elgar's development from here on was mainly to purge his style of its less acceptable cosmopolitan elements.

The four soloists made what they could of the opportunities the score affords them. Margaret Marshall was later to provide a refreshingly unsentimental centre to *The Spirit of England* and here sang the aria of the mother of the Blind Man with a clear eye on its single memorable climax; Helen Watts could do little with much of the recitative (and occasionally sounded underpowered) but responded well to the single presage of the Angel's music in *Gerontius*. John Shirley Quirk and Robin Leggate had the most rewarding section of the work to themselves: the dialogue before the final triumphant chorus, in which the Blind Man affirms Christ as the Son of God. Sir Charles Groves conducted chorus and orchestra with as much commitment as he could have given to a more familiar work, and made out a good case for the work to be recorded. Less interesting works of less interesting composers are already plentiful on record.

ANDREW CLEMENTS

Wigmore Hall

Buchberger Quartet

This young Frankfurt-based quartet made a vivid impression with their London debut on Tuesday. The violinists — the Buchbergers — are married to each other, the violinist and cellist (Joachim Etzel and Helmut Sohler) are not. In one of Haydn's Op. 33 quartets, No. 5 in G, their convinced intentions and general sprightliness at once declared close, imaginative preparation, with a degree of polish that was nowhere merely applied, but gleamed from well-honed phrasing and shaping. One odd quirk: they permitted themselves untidy beginnings, and quiet conclusions were often fluffy too—as if the journey interested them far more than starting or arriving.

The centrepiece of the concert was Berg's Quartet Op. 3, a febrile, violently concentrated work which has needed more than a half-century to find its proper place in the repertoire. The Buchberger players did not offer an exemplary performance—it was too personally accented for that, and too impatient with Berg's grandly dramatic rallentandos—but it was a brilliantly searching one. If the cello's versions of the opening flourish was always too throttled, many other points were unerringly seized that often escape attention altogether. The impassioned commitment was palpable—and all the *sul ponticello* writing, by the way, was rendered with uncompromised baleful glassiness. There was scarcely any failure of focus.

The nerve-end, button-holing force of this reading would have done credit to a much more seasoned quartet. A seasoned quartet, on the other hand, would not have offered so wildly unidiomatic an account of Brahms' modest A minor Quartet from Op. 51. There may indeed be an undercurrent of anxiety in the music, but here it continually ruffled the surface and made angry whitecaps. Brahms' characteristic weighted upbeats were lunged through, even when they carried measured triplets. Interesting, certainly, but never persuasive. Still, the individual stamp of the Buchberger Quartet is so sharp that one looks forward to hearing them at length in more amenable music.

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Mr. Reagan's nomination

THE NOMINATION of Ronald Reagan as the standard bearer of the Republican Party in the U.S. Presidential elections has for some time been virtually a foregone conclusion. But now the seal has been set on the essential choice which faces the American electorate in November. between Mr. Reagan and President Jimmy Carter — if. that is. one leaves out of account the complicating factor represented by Mr. John Anderson. For various reasons. it is a rather unattrative choice. but neither we nor the American people can be content merely to dismiss Mr. Reagan as an ex-actor; he is a Presidential candidate and he appears. on the basis of the current polls. to have a real chance of winning. For that reason alone he must be taken seriously.

Middle ground

He has captured the Republican Party with comparative ease partly because he was virtually the only nationally-known contender, but more because of his pronounced conservatism. The mood of America has undoubtedly shifted to the Right in the recent past, most notably on defence and foreign policy issues. accelerated by the holding of hostages in Iran and the Soviet invasion of Afghanistan. The conventional wisdom is that any Presidential candidate must hold the middle ground if he wants to get to the White House. But it appears that Mr. Reagan has so far done himself no harm by voicing views which are well to the right of the traditional Republican moderates.

To many people, in America as well as abroad, the prospect of an uncompromising Right-winger in the hWite House is not a little daunting, not least because many of Mr. Reagan's views seem simple-minded, perhaps even dangerously so. It is one thing to say that the U.S. needs to be militarily strong, so as to be able to stand up to the Russians. but another thing to talk of blockading Cuba or to reopen the issues of Taiwan and the Panama Canal.

Apologists for Mr. Reagan offer two main arguments of reassurance. First. his record as governor of California was a good deal less conservative than his words: he presided over very large increases in education spending, while his approval of a liberal abortion law and of an equal rights amendment was in striking contrast with the reactionary platform being approved this week by his own Republican Party. The practice of the President, they say, would be likely to be rather different from the language of the candidate.

Running mate

The other argument of reassurance is that Mr. Reagan is rather good at delegating responsibility to the operational heads of departments. and at not interfering with them unnecessarily. In some ways this would certainly represent a welcome change from the style of President Carter, whose tendency to involve himself in too much detail has played a large part in the worrying unpredictability of so much foreign policy-making in Washington. At the same time. however. it lends added importance to the choices that he would have to make of his most immediate collaborators in government. In this connection, the greatest importance of all attaches to the choice of Mr. Reagan's running mate, not because a Vice-President necessarily plays a very central role in government, but because Mr. Reagan's age must give his Vice-President an above-average chance of succeeding to the Presidency. That choice is due to be made today.

Simple answers

Such reassurances cannot entirely dispel anxieties that Mr. Reagan's qualities may fall rather short of those which America needs and expects in its President. No one has suggested that he is a particularly intelligent man, or that he has a broad and subtle vision: he has no experience of Washington or of the outside world. He may be steadier than President Carter, but is he likely to do better with the Russians, with the Europeans, with the Middle East, with the energy problem, with the economy?

So far, Mr. Reagan may have done well in campaigning terms by giving the impression that he has simple answers to extremely complex questions. It is difficult to know how far he believes his own rhetoric, but the remaining three months of the campaign may make it easier for the American electorate, as well as for the outside world, to form a more three-dimensional judgment.

Public funding imposes duties

THE CANCELLATION, for the first time in their 85-year history, of the first night of the Promenade Concerts, is nothing less than a tragedy. What has often been called the world's greatest music festival was not silenced even by Hitler's bombing of London. Now it has been sabotaged by an industrial dispute between the BBC and the Musicians Union which is a painfully apt reflection on the disarray and lack of direction in the BBC's management.

There are two sides to every dispute and in this case the Musicians Union is by no means blameless. Their response to the BBC's decision to save £500,000 by disbanding five of its 11 house orchestras from September might have been less unyielding. The three light music orchestras due to be dissolved have outlived their usefulness as tastes have moved away from their kind of music. The BBC has a good case in arguing that, for a given level of spending on music, it will be able to produce better broadcasts if it can use its money flexibly on employing freelance musicians prepared to perform in a wider variety of styles. Neither the BBC nor society automatically owes musicians a guaranteed living. They and their union must accept that conditions of employment and musical output cannot be frozen indefinitely in their traditional patterns."

Sponsorship

The BBC, for its part, has mishandled the dispute badly. Its announcement of the closures was needlessly precipitate and uncompromising. It should have made greater efforts to find commercial sponsorship for those orchestras whose artistic standards made this possible and, indeed, should have considered raising more money for its remaining six orchestras from outside sources. The plan to finance the Scottish Orchestra with the help of a privately sponsored trust fund and Stirling University should have been put forward before the disbandment was announced, not afterwards.

But the real misgivings which the BBC's attitude to the musicians has created stem from deeper causes. The disbanding of the orchestras has crystallised a feeling which has been building up over the years, that the BBC's whole system of values and its concern for the cultural life of Britain have begun to disintegrate.

In making the cuts which were, in effect, imposed by the Government when it refused to increase the licence fee in line with inflation, the BBC's order of priorities suggested that it was more concerned with competing against commercial broadcasting than in preserving and enhancing those services which support the whole case for public broadcasting.

Ratings war

Not only the BBC's critics, but also many of its own producers and executives believe that the management has become increasingly preoccupied with the ratings war against commercial broadcasting, as the commercial stations have grown in stature and in numbers. The idea that BBC local radio is necessary because this is the way commercial radio is developing, on that BBC-2 will have to "move down-market" to compete against the new commercial television station is regularly heard among broadcasters.

The reason for the concern about ratings is, of course, that wide popularity is seen as a justification for the licence fee. BBC management is terrified by the prospect that with the advent of ITV-2 its ratings may fall permanently and substantially below the 50 per cent mark. The trouble is that, while the BBC is quite right to aim at a mass audience for most of its output and to attempt to make a contribution in as many areas of broadcasting as possible, the growing insecurity of its financial foundation, as inflation has eaten away at the licence fee, has led it astray in the marginal decisions which, in the long run, determine the whole system's development.

What the BBC needs is a new system of financing, to provide it with some of the financial security and independence from political, and populist, pressures which the licence fee used to provide in pre-inflationary days. In exchange the BBC management must provide to Parliament and the public with evidence, perhaps in the form of a long-range plan, that it intends to maintain and build upon the high standards and public services which alone are the only justification for a publicly-financed broadcasting service.

High stakes in battle for income tax computer order

BY ALAN CANE

THE public and private debate over the contract to computerise the Inland Revenue's Pay as You Earn (PAYE) tax system has been fought with a ferocity uncommon even in the computer industry.

The stakes are far higher than the £150m the job is likely to cost. If the Government opens the bidding to all comers rather than awarding it on a single tender basis to International Computers Limited (ICL) the UK's only manufacturer of very large computers, it might be seen as a vote of no confidence in both British high technology and the British ability to manage high technology.

It would certainly set back plans made two years ago to mould a UK information technology "patriotic front" from the diverse collection of companies which inhabit the British computers and communications industry.

Under existing EEC and GATT rules, the Government would be within its rights to hand the contract on a plate to ICL. ICL already gets some 5 per cent of its business in this way and that business played a vital part in the development of its existing, very advanced, computers — the 2900 series. Government computer centres were used to sort out the teething troubles both in the hardware, the computers themselves, and the software (the lists of instructions which control what the computer does). These days hardware is normally very reliable — but the software running into millions of separate instructions for a large system can and does cause problems for all manufacturers.

At the end of this year, new EEC and GATT rules will outlaw this sort of favouritism.

In any case, the preference policy has always cut both ways for ICL. Its competitors claim the Government is "feather bedding" the company and the inevitable problems of running in the big 2900s have been well publicised.

Under the preference rules, however, a contract such as the PAYE job should still go automatically to ICL *unless the Government believes it cannot handle the job.*

So if the Government puts the contract out to open tender and is consistent, ICL would not be seen as a contender the second time round. And the world would see that the British Government did not believe ICL had the skills and experience to supply the hardware, the software and the management skills on time and at the right price.

It is likely that, in open tender, ICL would be at a disadvantage: the job is such a plum that the competing companies—all American-owned—would think little of using the contract as a loss leader for more government work.

These companies include IBM, the undisputed dominant force in computers with some 60 per cent of the market world-wide,

Competitors claim that ICL is "feather-bedded"

and Honeywell, which manufactures big computers in this country and has been fervently against the procurement policy for some years.

Other contenders include Sperry Univac which does not manufacture in this country but is prepared to open a factory to manufacture computer terminals if it wins the contract and Burroughs which says it will expand its present terminal manufacturing capacity if it is favoured. Then there is NCR with significant banking experience.

The skirmishing started when the Inland Revenue proposed that the PAYE tax system should be computerised. There is some controversy in Parliament and Whitehall about whether the existing manual system is in any state to be computerised, but 18 months ago the revenue circulated major manufacturers based in this country with a "users requirements" specification. It outlined its problems and asked the computer industry for its views on how to solve them.

For every big manufacturer, with the exception of ICL, it was a heaven sent opportunity to break into the prestigious and lucrative government market, hitherto denied them by the preference policy.

The American owned companies have been preparing proposals and lobbying with various degrees of intensity since then.

The real battle is about whether ICL can come through with the goods. Sir Keith Joseph, the Industry Secretary and his senior Civil Servants are convinced that ICL can do the job and must be given it if ICL's international image (it does about half its business outside Britain) is not to suffer irreparable harm.

On the other side, the Treasury is believed to favour open tender because of its belief in competition and, in part at least, because of worries over ICL's past performance. The Treasury, moreover, has to finance the operation and it fears a harrowing appearance before the Public Accounts Committee (PAC) in three years' time if the project failed to give satisfaction on either cost or time.

The horror that haunts everybody connected with Government computers, of course, is the Driver and Vehicle Licensing Centre in Swansea, the best publicised example of civil computing gone awry known in the UK.

Appalling stories continue to emanate from Swansea, and ICL, which supplied only the hardware for what is a very badly designed system, was perhaps unfairly tainted with the acrimony that followed. It was, in fact, chiefly a Civil Service management failure.

Before the Public Accounts Committee four years ago, Mr. Reay Atkinson then director of the Central Computer Agency (now the Central Computer and Telecommunications Agency), Whitehall's computer watchdog, said: "We will never undertake a project in that way again."

The new Inland Revenue contract, when placed, will be probably the biggest civil computer contract placed by a European government, but it is not exceptional by world standards. In the U.S., systems of a similar size and complexity have been running routinely for years now—they are used, for example to provide information to brokers.

Neither is it at all complicated technically. All the major suppliers have the technological skills and the experience to build it—the principal task is the management of such a massive project.

The Revenue is asking for a system to manage the records of over 26m taxpayers, working for nearly 100,000 employers, while giving the individual taxpayer the ability to inquire about his or her tax position, check that the employer's wages office is making the right deductions and make amendments to his or her own tax file.

The proposed solution is a network of 12 regional centres each with its own computer connected to over 500 district offices. The total number of individual work stations is expected to be 20,000 by the mid 1980s.

With Swansea in mind, it is clear why the Revenue is anxious for a "no risk" solution. It is already overstretched and the thought of having to correct manually errors in a computer based system must be giving the Treasury sleepless nights.

But the computer industry is agreed on one thing: there is no such thing as a "no risk" answer.

ICL's belief that it can offer an effective solution is based on a simulation carried out on a large 2900 series computer at the West Midlands Gas Board. It claims it has proved two things: that it can connect 1,000 terminals successfully (all that is needed for the first phase of the PAYE project) and that it can get its sizing right to within 5 per cent. Sizing is critical in planning any computer installation. It means estimating the size and power of the computers needed to run the application. Mistakes made at this stage can be hopelessly wasteful of time and money later on.

To size a network needs special skills. In the early days, computers worked on a batch principle. Data was collected in the day, delivered to the computer, processed in a batch and returned to the user.

The trend these days with cheaper faster hardware is towards interactive processing where information and processing power are continually to hand and where the system responds quickly to commands and queries. Fastest response is about 0.6 second, but with 20,000 terminals in the field, the PAYE system will have failed if any operator on any work station is delayed by more than two or three seconds.

The Central Computer and Telecommunication Agency has already evaluated ICL's proposals and the best indication is that it is broadly neutral about its ability to do the job. It agrees that it has the capabilities but thinks there may be delays of about six months over what the Revenue might want.

IBM has lobbied the Prime Minister and the Chancellor

ICL has put together an "all British" consortium for the task. It would supply the computers—12 as yet unannounced mainframes codenamed the S3L, while Logica a small (£12m turnover) systems house with a high international reputation for communications skills would undertake the networking software. Terminals would be provided by another British manufacturer, possibly Newbury Laboratories.

The same analysis is not possible with the American owned manufacturers, but it is likely that IBM will offer its very large mainframe computer, the 3033, a machine of comparable power to the expected performance of the S3L, but of much older basic design.

IBM, on the other hand, claims to have demonstrated to the Revenue a system supporting 2,000 terminals and offering response time no greater than three seconds.

What must appeal to the Treasury, though, is IBM's reputation for taking care of its customers. There is a saying in the computer world that no data processing manager has ever been fired for advising a Board to buy IBM.

IBM said this week that its chief interest is in providing a "good system which will prove beneficial for us and cost effective for the taxpayer."

Nevertheless, the order is of great strategic importance to IBM. Its share of the overall computer market is more than 50 per cent throughout Europe except in Britain where it holds a roughly equal share with ICL (around 27 per cent) by value of the total market.

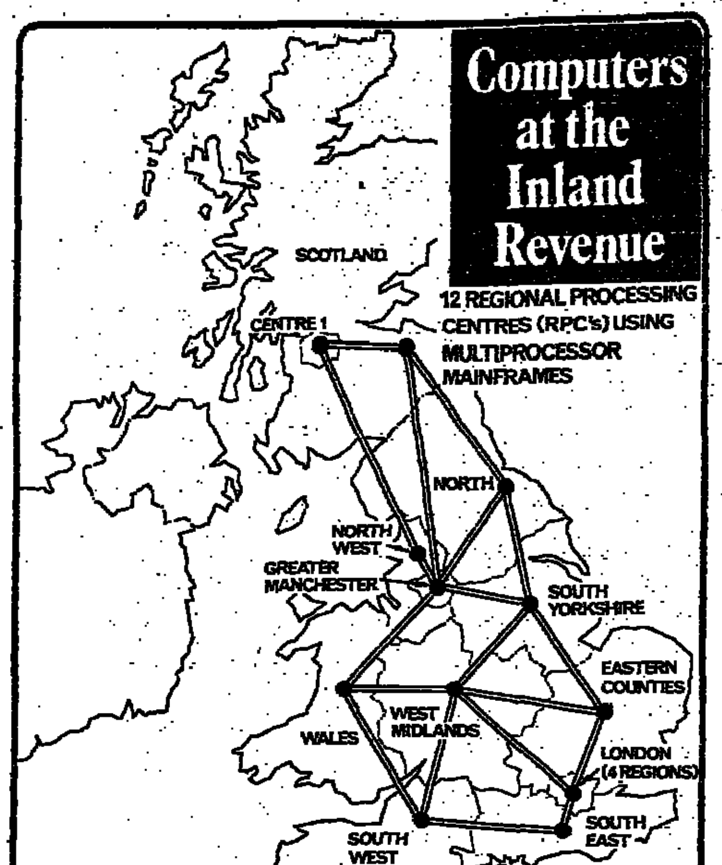
It has been lobbying long and effectively, reaching the Chancellor and the Prime Minister well before ICL had rallied its forces. One senior civil servant said: "I have never known IBM play so rough. And the Prime Minister has been quoted as saying: "Give it to IBM, it will do a good job."

The postponement of a final decision at yesterday's Cabinet committee meeting must reflect the pressures generated to change the Prime Minister's mind. Both Labour and Conservative MPs have signed Commons motions urging the Government to place the order with ICL.

ICL is a founder member of the United Kingdom Information Technology Organisation, a clutch of British owned computers and electronics companies looking to defend Britain's position in world and domestic markets when government preference ends.

ICL has also been involved in joint ventures with the Computing Services Association—the trade association for computer services companies—and the Department of Industry to attempt to sell major computer systems similar to the PAYE complex abroad. Large ICL networks are already running in Australia and South Africa. One of the South African systems is for Barclays Bank and has 2,000 terminals. Attempts have also been made to sell to the Mexican and Greek Governments.

ICL's view is that its credibility with these customers will be destroyed if it is not awarded the tax contract. Today's decision to defer action will do nothing to allay ICL's anxieties and it will certainly provide the spark for a fresh, perhaps more ferocious, round of lobbying.



Managing directors competing: ICL's Dr. Chris Wilson (left) and Mr. Eddie Nixon of IBM (UK).

MEN AND MATTERS

Steel men cry 'sexism'

Jobless steelworkers from Shotton and the Equal Opportunities Commission would appear to be unlikely bedfellows. But, I am told, the Commission has been looking "with great care and sympathy" at the complaints of 130 out of the 6,000 to be made redundant who have bellowed "sexual discrimination."

The men have complained that through a quirk in the redundancy payments system, women from the works aged between 50 and 54 will end up better off than men in the same group.

The Commission is well used to such male moans. "Some of our most successful cases have been taken up on behalf of men," an official said. In these 130 instances, however, it appears the help is likely to be more of the chat and a cup-of-tea variety. The EOC has elected to avoid the fray and says that while it can give the men "general advice ranging from how they fill in their forms to telling them their rights," it cannot provide legal representation.

Near miss

Tory whips must be getting a talking-to this morning following what I hear were "less than edifying scenes" in the division lobbies of the Commons yesterday.

New boy Peter Lloyd, MP for Fareham, decided to make a name for himself as the 20th century Occam. "Let us take a razor to the complex rules on compensation for companies being nationalised and agree to a simple formula—give them the equivalent of asset value as on nationalisation day," he cried.

His shadp and snappy formula formed the heart of a simple private member's Bill introduced under the 10-minute rule. Not something Government whips—or the shipbuilders and others—would need to worry about?

Not much. True, the Bill was defeated, but only just. Government officials abstained, of course, but 153 back-bench Tories filed through the "Yes" lobbies. And only the 160 Opposition men who exited through the other door averted a nasty hangover for the Government.

Asset stripping

Poor old Auntie isn't having much luck selling off her old frocks. Stuck for funds, the BBC yesterday packed off more than 30 "nearly new" costumes to a London salesroom. Only four outfits, however, found a buyer, including a "pair of pink satin trousers and a pink sequin-studded chiffon top, worn by Lulu," which went for the princely sum of £32.

The reserve prices on most of the glamorous get-ups had been around £50. A snip at the price one might say; where else could you buy a "cream jersey dress trimmed with appliqued satin poppies with black beaded centres on a crystal studded ground, with matching belt, worn by Marti Caine?" A more apposite question might be: where else could you wear a dress like that except on the telly?

Soho squeeze

A group of 20 MPs is having an educational day out in Soho tomorrow. And, their guide Bryan Burrough tells me, "they will be amazed at what they will see."

Since there is no shortage of amazing sights thereabouts, I fear Burrough, vice-chairman of the Soho Society, may have his work cut out keeping the Parliamentary minds on the point at issue—the industrial decline of the area.

Led by local MP Peter Brooke, the group will hear and see how reputable local businesses are being squeezed to death between redevelopment and the grubby sex and pornography merchant.

"About a quarter of all Westminster's light industry is based here," says Burrough. There are gold workers, handbag factories, opera costumiers, ostrich feather curlers, graphics and new technology firms, and almost all of them depend on neighbouring West End shops and businesses for their bread-and-butter income.

"I don't know what it is all worth, but I am quite sure it is many times the value of the sex industry," he claims. "But the point is that they have to be here in easy reach of their customers. They cannot relocate. Most just close down when their leases expire."

Of the six firms recently pushed out of Ham Court, only one found premises nearby. And now five more companies are losing their workshops in Greek Street.

There will be some industry in the redevelopment, but in the main, Burrough explains, the spaces offered are too big for small firms used to working in as little as 700 square feet. On the other side, tradesmen now paying £80 a week in rent stand no chance against the porn kings who are happy to pay £300 or more for a tiny shop.

Clearing the air

The Vice-Chancellor, Sir Robert Megarry, yesterday blew a breath of fresh air through an impending case which was in severe danger of being enveloped in Euro-fog. Once the Treaty of Rome and its voluminous and complex procedures entered a courtroom it often became difficult to say that anything was clear, he remarked, striking out a defence based on the treaty raised by Berk Pharmaceuticals to an action brought by ICI.

Many defendants, he added, whose contentions had little substance tended to encase themselves in the Treaty—"and so hold at bay with their Euro-defences many plaintiffs who otherwise would have had an easy path to prompt litigious success."

Of course, he admitted, he was not saying that all defences based on the Treaty were without substance or merit, only that English judges should always take a long, hard look and not adopt the attitude, "whether overt or covert," that simply because it was a Euro-defence there must be something in it.

Down but not out

Britain's enemies may yet develop a cheaper means of knocking out our fleet of ageing Vulcan bombers. In Pueblo, Colorado, an RAF Vulcan has been grounded by an apparently amorous bird which, in pursuing the plane, flew into one of its four engines.

While the bird must have believed there was life in the old plane yet, local groundlings do not seem quite so impressed. Engineers at Pueblo Memorial Airport, where the damaged engine is being repaired, have suggested that rather than try to patch up the bomber, they should tow it away to the nearby Fred W. Weisbrod Aircraft Museum.

Iron rations

"Frankly speaking our people love air-cooled diesels—they live, breathe and eat them"—from a Klockner-Humboldt-Deutz advertisement.

Observer

ECONOMIC VIEWPOINT

Into and out of the world slump

IN THE midst of so many controversies about national economic policies it is easy to forget that the recession is world-wide and that the specific policies of different governments are responsible mainly for variations around a common theme.

There is, moreover, nothing new about this recession. It is a repeat performance of its 1974-75 predecessor. Like that one, it has been triggered off by a "shock" increase in the oil prices and partly for that reason has been accompanied by a temporary acceleration in the inflation rate. Both recessions look like being much severer than any of the mild dips in the post-war business cycle experienced before 1973.

One difference is that whereas oil has been almost the sole source of shock on the present occasion, the 1974-75 recession was preceded by a closely synchronised inflationary boom in the main industrial countries.

How is output likely to compare? It has held up longer than the last time round and longer than most analysts forecast. But there is little doubt that it is now turning downwards. But in view of the severity of the present U.S. and British declines, the opinion of the Kiel Institute for World Economics, that OECD output will drop by about 4 per cent in this recession as it did in the last, may be nearer the mark than the more optimistic OECD projection.

The worst comparison relates to unemployment. The average OECD unemployment rate of just over 5 per cent at the peak of the 1979 *boom* was little better than in the worst of the 1974-75 *recession*, and thus is certain to go still higher in the coming months.

One does not have to take the 5 per cent figure at its face value to be worried over the prospect of further increases. The unemployment deterioration reflects not so much deficient overall demand as the impact of structural changes on an over-unionised and over-regulated labour market.

The ratio of youth to adult unemployed has increased dramatically in France and the UK, while in Italy it has remained *stable around the horrendous level of 7 to 1*. By contrast no special youth problem has so far emerged in the U.S., Japan or Germany.

There are interesting differences between countries. As in 1974-75, the production drop looks like being particularly severe in the U.S. Last time round, industrial production (as distinct from GNP) fell by about 15 per cent, mostly between *September 1974 and March* 1975.

Industrial production has already fallen by about half of this amount so far in 1980, and the *unemployment rate has* risen by 2 percentage points. Even the U.S. Administration is now forecasting a recession as severe as last time, although not perhaps concentrated in such a short period of months.

Output has held up longer, but the jobless rate will be worse

In the UK the recession of the mid-1970s was a good deal more severe than people now find it convenient to remember, with a total fall in industrial production of about 15 per cent. It was however dragged out over a long period, due perhaps to the high fiscal deficits (combined with a tight monetary policy) of the incoming Labour Government.

This time the speed of the fall in industrial production has been much faster — about 10 per cent at an annual rate in the *first five months of 1980*, excluding North Sea oil. Optimists hope that, like Germany and the U.S. in the last recession, Britain will, this time be "first in, first out" for once, rather than last for everything.

By contrast in Continental Europe and Japan the recession has hardly begun. In Germany the rival economic institutes have been arguing about the slowing down of the growth rate rather than about any absolute fall in output. France and Japan are analysed in similar terms by the OECD. Indeed, in the last named the growth rate of the GNP is not expected to be below 3¾ per cent in 1980-81.

These estimates may easily be too optimistic. But the contrast for these countries, both with their experience last time round and with the U.S. and Britain, remains striking. Mr. Healey *has attributed this more* favourable experience to the large boost to output that the German authorities are supposed to have given after the 1978 summit—and have never ceased regretting. Much more *important, in my view, has been* the greater wage moderation compared with 1974-75, noted by the OECD, and the willingness of Continental and Japanese workers to accept the squeeze in real wages resulting from higher oil prices.

In the UK the chances of such real wage moderation were destroyed by the incompetence of the last phase of the Labour Government and the first phase of the Conservative one. In the U.S. the explanation of the severe dip lies not with wages but with the swings of monetary *and fiscal policy from the inflationary* excesses of the early Carter period to the extreme squeeze of the past few months —the latter excesses being necessitated by the former.

* * *

The means by which oil price increases bring recession are reasonably straightforward. There are two ways of looking at them. One, which I have discussed in previous articles, is that a shock increase in one important set of prices, not balanced by a reduction in others raises the general price level and reduces the real value of the money supply.

The second is in terms of the OPEC surplus estimated at $120bn this year. The real value of income in oil-consuming countries is reduced by this amount, which represents an addition to the total of world savings. It can be compared to a sudden increase in consumer taxes inside a single country not offset by higher government spending.

There are several mechanisms by which demand recovers after *an event such as an oil shock*. The normal self-correcting mechanism when savings threaten to exceed investment opportunities is for a fall in interest rates to occur. This both discourages savings and encourages investment. In the 1974-75 recession, for instance, interest rates fell well below the inflation rate. At one point in 1974 there was an average short-term interest rate of minus 4 per cent in the OECD area and a little later in 1975 a negative long-term interest rate of similar size.

Another mechanism is deficit budgeting so long as this can be accommodated without printing money. Some countries finance these deficits by domestic bond issues, others by overseas loans. In all cases they *are borrowing surplus OPEC* savings, directly or indirectly.

Budget deficits cease to be helpful, however, when the issuing of bonds to finance them leads to a bidding up of interest rates or a scarcity of credit which offsets the original expansionary impulse. The only safe approach both for industrial countries and the OECD as a whole is to stop borrowing once this financial "*crowding out*" appears.

This is never entirely clear in advance, but as a rule of thumb, it is usually safe to borrow to offset revenue losses and social security outgoings wholly due to recession, but not to engage in *deliberate discretionary* stimulation. This is what is meant by the principle of the "high employment" balance of the Budget. But because of uncertainties both about financial markets and changes in the sustainable level of "high employment," it can only be a rough approximation, subordinate to the more general principle of not bidding up real interest rates.

Germany's deficit could be £6bn this year. They should grin and bear it

Money supply rules, properly adhered to, so far from being "deflationary" provide for a great deal of automatic stimulation. An instance is the rapid fall in U.S. interest rates, which would have gone further still if the Fed had tried harder to prevent undershooting of the targets. In the U.K. interest rates will fall more quickly if the policy is focused on the money supply than if it is focused directly on interest rates themselves, as the Bank of England instinctively prefers.

In practice, those who favour monetary guidelines usually advocate floating rates and an attitude of benign neglect towards current account payment deficits—a neglect which will certainly be needed as the arithmetical counterpart of the OPEC surplus begins to accumulate.

In contrast to 1974-75, a large part of the counterpart deficit is being incurred by strong coun*tries such as Germany, Japan* and the U.S. The Bundesbank has, for instance, just estimated that the German current account deficit or 1980 will be DM 25bn (about £6bn). As such deficits are inevitable, it is important that the German authorities should grin and bear them and not mistake them for inflationary profligacy.

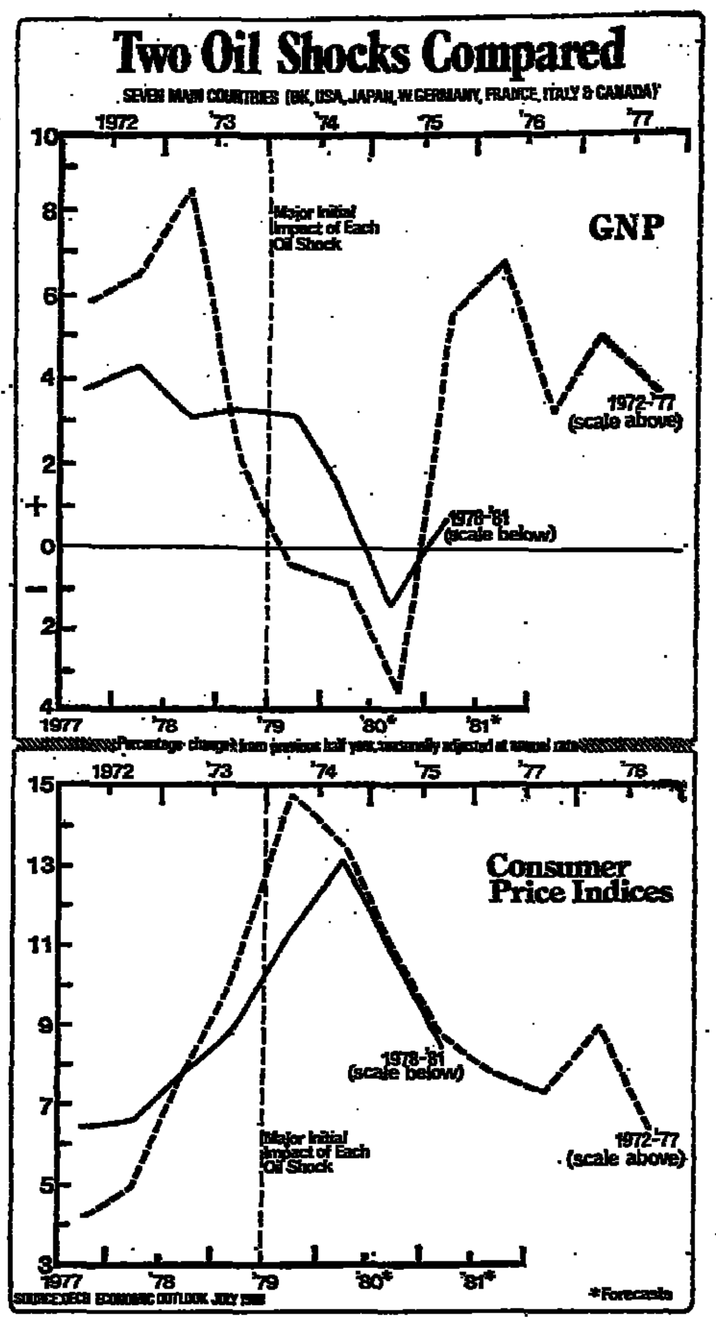
Over half the total counterpart deficit will, however, be incurred by developing countries. The IMF, which intends to take a large part in recycling OPEC surpluses should not "relax" its lending conditions, but redefine them to shift the emphasis from the balance of payments to internal good behaviour.

In the last cycle a large part of the readjustment was in the end brought about by a downward drift of over 10 per cent in the real price of oil—as the OPEC *price failed to keep up* with world inflation. This almost eliminated the OPEC surplus.

It would be most unwise to shut off this safety valve by artificially maintaining the real price of oil, as the Bank of England seemed to be hinting in its last bulletin. It is as dubious a piece of advice as the Foreign Office's penchant for encouraging cartels in other products under the guise of commodity agreements.

The OECD estimates that output in member countries will be 5¼ per cent lower by 1981 and consumer prices 11 per cent higher than they would have been in the absence of the oil price explosion. Part of this disruption may represent the cost of adapting to a new structure of real oil prices: and the best financial policies can only be a palliative against these pressures. The urgent need is neither for more and better recycling, nor for the support of producers' cartels, but for action to make it more difficult for OPEC countries to inflict further "shocks" upon the West.

Samuel Brittan



Letters to the Editor

Dawn raids conduct

From the Managing Director, Stewart Nairn Group.

Sir,—As a recent recipient of the guidelines covering a code of conduct for directors of public companies, as envisaged by the Stock Exchange, I have followed with interest the now considerable volume of Press comment on the subject of certain share dealings referred to as "Dawn Raids." I find your leader of July 11 particularly apposite in this respect.

When dealing with the activities of certain executives of a very much older organisation than the Stock Exchange, Chancer enquired "If gold rusts, what will iron do?" Perhaps the chairman of the Stock Exchange will now consider matching the present code as applied to individual directors with an equally precise document directed to corporate responsibility with particular emphasis on those institutions which are most prominently engaged in its execution.

N. T. E. Ostrom,
Stewart Nairn Group,
58 Southwark Bridge Road, SE1.

Cricket today

From Mr. G. Rogers

Sir,—In his article (July 14) Trevor Bailey hints at some reasons why English cricket is not producing class players. As he says, too little cricket is encouraged at the grass-roots in many primary schools. It is also a fact that at senior schools today boys are given a much wider choice of summer-term sporting activity. Given this choice, boys prefer to choose the individual sports that *demand participation: tennis*, squash, sailing, swimming, athletics, etc.

Boys of limited games ability do not relish the prospect of a game of cricket in which they may spend long hours just sitting in a pavilion or twiddling fingers in the outfield. Prospects of long sessions at nets or fielding practice do not appeal when the time can be spent partaking in so many other socially acceptable sports. It is also unfortunate that the few who can bat also tend to be able to bowl and so dominate the available action in a game of cricket.

If the use of a hard ball discourages boys, can the wearing of crash helmets and excessive padding by their mentors be of encouragement? Is the national sport doomed to a future of soft-balled, wide-batted one hour each way knock-about?

Graham Rogers.
142, Burges Road, Thorpe Bay, Essex.

Unsurprising late mail

From the Senior Vice-President Kurt Salmon Associates

Sir,—Mr. Jason Crisp suggested (July 12) that "nobody listens to the Post Office" in that pleas to post early in the day are ignored.

This is typical of the monopoly's lack of customer orientation. I have commented once before in your columns, and it is the Post Office that does not listen to its customers.

Business letters are typed during the working day and the Post Office should really not be surprised at this, or that at the end of the day those letters get posted. Therefore, there is bound to be a late afternoon surge. Is it suggested we should all work a night shift so that it will be more convenient for the Post Office?

The problem is that the Post Office cons the public by selling a service it is unable to deliver. If, as the article implies, and *as we all know to be a fact, the* first class service cannot be provided after a certain hour in the day, let the Post Office come clean, advertise that fact, and let us all save money by posting late in the day at 2nd class cost for the 2nd class service we get.

Stuart D. Hollander.
119-120 High Street, Eton, Windsor, Berkshire.

Now hear this

From Mr. L. Ling

Sir,—I refer to the article by Jason Crisp headed "Nobody *listens to the Post Office*."

I would like to post my letters early in the day. My post arrives at 7.30 am and I used to get my replies written and post them here for the 10.15 am collection.

Now, alas, the earliest I can send them is at 2.45 pm and unless being sent to a town reasonably near they rarely arrive the next day with a first class stamp attached.

If, as Jason Crisp reports, the Post Office runs advertising campaigns but says no one ever listens, perhaps it is because the left hand in the Post Office hasn't been told that the morning collection has been withdrawn by its right hand.

Laurence J. Ling.
70, Norwich Road, Cromer, Norfolk.

Mushroom head hunting

From the Librarian, Teesside Polytechnic

Sir,—I am long since resigned to everybody thinking they could do a librarian's job (July 15) and no doubt, given a little tuition, most "executives" and many others could. There are, however, certain academic, professional and financial *standards for librarians and similar* employment.

What corresponding standards are there for selectors and what safeguards are there to prevent possible abuse, particularly when everything is carried out under personnel confidentiality which can serve effectively as a cloak of secrecy? Considering that the selection consultants do not have to take responsibility for the ultimate *selection perhaps it is not too* unkind to say that they seem to get their money remarkably easily. The mushrooming of such firms in recent years seems to indicate that industry and business has plenty to spare for them. Can trade unionists really be blamed if they try to get it for themselves?

R. Moss.
Teesside Polytechnic,
Middlesbrough, Cleveland.

Static bus figures

From the Leader, Greater London Council

Sir,—The arithmetic in Mr. Morris's letter (July 12) is admirably accurate but the underlying assumption is erroneous.

A ban on cars and other traffic in central London would indeed lead to a speed-up in the operatiton of the bus service. That, however, is all it would achieve.

A traffic ban would not add a single bus to the road (other than the 1 per cent improvement we agree upon) and what we are therefore talking about *is a marginal improvement overall*. This is because the ban would have to be limited to central London. However defined this could scarcely be a large area. A small area would have no effect on the bus service and a large area would be impossible to police: just how do you cut off or monitor what amounts to hundreds of road entrances and exits?

The number of buses running exclusively within central London is very small: most routes which serve central London run through it, and a traffic ban in the centre would have a knock-on effect round the periphery which would negate *any benefit anyway*.

Besides all this there are two points which are unanswerable. One is that we have a city-centre rapid-transit system for passengers already; it is called the Underground. The other is that a cordon necessitates an essentially bureaucratic assessment of what constitutes essential car use and what does not. We are assuredly too much in the hands of bureaucrats now: we do not want to extend their power.

(Sir) Horace Cutler.
County Hall, SE1.

Hawksmoor's work

From the Secretary, Friends of Christ Church Spitalfields

Sir,—Colin Amery's article (July 7) is no doubt a natural response to the efforts of the Friends of Christ Church Spitalfields to show the quality of this extraordinary building at its present best, but he demonstrates a lack of practical knowledge of Hawksmoor's Christ Church as well as a careless disregard for the views and policies of his fellow committee members of the friends.

The first point to make is that it is the trustees' resolved intention to restore this architectural masterpiece wherever possible to the church which Hawksmoor built. Fortunately, the historical records, in archives and hidden in the building itself under Victorian plaster, allow a picture to emerge which is exceptionally clear and unambiguous, and is substantially different from what the visitor now sees.

The evidence of other churches, such as St. Mary Woolnoth, is that Hawksmoor, whether he personally liked galleries or not, was always careful to integrate them with the overall design. At Christ Church the gallery fronts were scalloped to allow the giant composite columns to rise unimpeded to the transverse vaults. Hawksmoor, though idiosyncratic in his architectural language, never elsewhere adopted the attenuated proportions of the Christ Church columns as we see them today. The proportion of column to pedestal only makes sense if wainscotting and galleries are replaced.

Had Mr. Amery been more familiar with the building at a practical level, he would know that the galleries do not "obstruct" the spectacular soaring views of columns and vaults from any easily accessible position in the church. Seen from the aisles, the columns, now isolated and detached, have the same pathetic nobility as a giant redwood, stripped of its branches, ready for the lumberjack. The bare side walls, slashed by *elongated* windows are a solecism of which Hawksmoor (though I know his mind less well than Mr. Amery evidently does) was surely incapable. The visual impact of the side aisles without galleries is without question exciting but entirely spurious: the result of banal gothicising carried out in 1865-67 by Ewan Christian. This "improver" also mutilated the East and West ends of the church, *blocking up fenestration* and destroying that lightness and transparency which Mr. Amery senses correctly is occluded by the stained glass in the Venetian window.

Questions of detail, such as decoration, remain to be discussed and resolved by the advisory committee. Mr. Amery's impatience here leads him to speculate unwisely about the present architect's inten*tions. References to decorating* the church with coloured silks are found in the 1822 accounts, but nowhere has it been suggested that the decorative scheme will be white and gold.

Replacing historically authentic forms and structures not only will allow us properly to appreciate a masterpiece, but will also greatly increase the range and flexibility of use by *the Parish and Friends, more than* justifying expenditure which the Friends consider neither unnecessary nor lavish.

Jonathan Balkind.
45, Chalcot Road, NW1.

Glorious gardens

From Mr. N. Bond-Williams

Sir,—Gardeners, like anglers, *should be allowed their small* extravagancies. Robin Lane Fox writes both entertainingly and modestly about gardens—as well as always being informative.

Gardens, as any gardener will tell you, are different every day —their quality cannot be subjected to measurement, whether on the Imperial or the metric system. How can Mr. Penn (July 15) be sure that Inverue or Wakehurst reached their peak on the same day as Sissinghurst? Or did he get out of his rose bed on the wrong side that morning?

N. Bond-Williams.
"Kiftsgate," Weston Subedge, Chipping Campden.

Beauty beheld

From Mr. D. Bett.

Sir, — Mr. Penn's letter (July 15) is so extraordinary that one wonders, not for the first time, if there is something in the Brussels air that upsets rational thinking. The phrase "best in the world" is one used simply in a general way to indicate excellence. Husbands often describe their wives as the most beautiful in the world. They have not seen every woman!

Incidentally, Leeds and Chenonceaux are not comparable. The former is a fortified castle, albeit restored; the latter a Renaissance chateau.

David Bett.
6, Holland Park, W.11.

Today's Events

GENERAL

UK: Mrs. Margaret Thatcher and Lord Carrington, Foreign Secretary, meet separately Mr. John Anderson, independent candidate for U.S. presidency.

British Airports Authority annual report.

National Gas Consumers annual report.

Royal Institute of British Architects conference opens, Newcastle (until July 19).

Two-day conference opens on marketing opportunities in Zimbabwe for British exporters, London Hilton Hotel.

British Open Golf Championship starts, Muirfield, Lothian (until July 20).

PARLIAMENTARY BUSINESS

House of Commons: Finance Bill, completion of report stage and third reading.

House of Lords: Health Service Bill, committee stage. Deer Bill, second reading.

Select Committee: Home Affairs, Sub-Committee on Race Relations and Immigration. Subject: Racial disadvantage. Witnesses: Commission for Racial Equality. Room 15, 4.30 pm.

OFFICIAL STATISTICS

London dollar and sterling certificates of deposit (mid-June). UK banks' assets and liabilities and the money stock *(mid-June)*.

COMPANY MEETINGS

Alpine Soft Drinks, Richmond Way, Chelmsley Wood, Birmingham 12. Boots, 20, Aldermanbury, EC, 11. Brengreen, Great Eastern Hotel, Bishopsgate, EC, 11. British and American Film, Brook House, 113 Park Lane, W, 12. Courtaulds, Europa Hotel, Grosvenor Square, W, 12. Debenhams, Wigmore Hall, Wigmore Street, W, 12. Ellenroad Ringmill, Bentgate Street, Newhey, Rochdale, Lancs., 3.30. Harrisons and Crosfield, Baltic Exchange, St. Mary Axe, EC, 11.15. Leigh Interests, 75 Harborne Road, Edgbaston, Birmingham, 12. Thomas Locker, Church Street, Warrington, 11. London and Holyrood Trust, Bucklersbury House, 83 Cannon Street, 3. London and Provincial Trust, 83 Cannon Street, EC, 2.15. Manchester and Metropolitan Investment Trust, Ship Canal House, Manchester, 12. Northern Securities, 16, Finsbury Circus, EC, 12.30. Sketchley, Rugby Road, Hinckley, Leics., 3.

Gestetner first half hit by sterling and interest

DOUBLED INTEREST charges and the continued strength of sterling were the main causes for a 13 per cent drop in interim pre-tax profits at Gestetner Holdings, the international reprographic equipment and supplies group.

Profits in the 26 weeks to May 3, 1980, were £9.89m against £11.4m but sales rose 9 per cent from £131.3m to £143.01m. At constant exchange rates, sales would have been 19 per cent up and profit only 4 per cent down, the directors say.

Stated earnings per share are 11.03p (15.44p) basic and 8.46p (1.68p) fully diluted. Interest payable was £2.58m (£1.29m).

Despite the lower profit, the board feels justified in maintaining the interim dividend at 2.5p—the total last year was 5.25p on pre-tax profits of £19.81m.

CCA profits were down to £?.72m after adjustments for depreciation, £960,000, cost of sales, £4.66m, monetary working capital, £4.3m and gearing, £2.77m. Earnings per share on this basis were 4.15p (5.21p) basic and 2.64p (4.21p) fully diluted.

The main problems, says the board, were in the UK, where profits were halved—"this decline occurring in both the manufacturing and selling operations."

This reflected in part the impact on manufacturing costs of the high level of inflation and the inability of the manufacturing subsidiaries, if they wished their products to remain competitive in overseas markets, to pass on their full cost increases in prices to overseas subsidiaries and other concessionaires.

Profits of subsidiaries in Europe showed very little change overall while those in America, principally in North America, showed a considerable improvement. Elsewhere, principally in Asia, subsidiaries were not so profitable as in the preceding year. Overseas profits were therefore relatively unchanged.

The overseas results are evidence of the continued demand for the group's products and, moreover, show that, whilst margins continue to be under pressure, the overseas subsidiaries have achieved considerable success in countering the difficulties arising from the high value of sterling, the board says.

Group tax takes £4.68m (£4.11m) leaving net profit at £5.21m against £7.29m. The CCA net figure reveals a loss of £1.96m (£2.46m profit). Dividends absorb £1.18m (£1.16m) and £4.03m (£6.13m) is retained.

Lex, Back Page

HIGHLIGHTS

After considering the gilt-edged market, where another Tap stock was exhausted yesterday, Lex moves on to deliberate on several stories from the corporate sector. **Fisons and Boots** have announced a joint venture grouping their respective agrochemical interests, from which Fisons will derive some immediate cash benefit. Lex also considers the statement from **Union Discount** which has traded profitably in the first half of the year and the dividend is up 40 per cent. **Gestetner** reveals a sharp fall in half-time profits with lower contributions from the UK, elsewhere in Europe, Asia and Australia partly offset by an upturn in North and South America. Finally Lex assesses the results of U.S insurance broker **Marsh and McLennan**. On the inside pages there is a half-time upturn at **Birmid**, but the outlook for the second half is not good and there is news of further redundancies.

Shell buys chemical group

Shell has bought Ward Blenkinsop, a UK-based fine chemicals company for £6.1m.

Ward Blenkinsop, a non-quoted public company which specialises in the production of pharmaceutical intermediaries, had a turnover of £14.6m last year to September 30, with roughly 60 per cent of these sales coming from exports. It lost £34,000 before tax against a profit of £1.25m the previous year.

Last year Laporte Industries planned to acquire Ward Blenkinsop for £9.7m but pulled out of the deal because trading prospects for the fine chemicals industry declined. It is thought Lajorte also decided that Ward's range of products did not really complement its own chemical manufacturing range.

But the Shell group is now actively expanding its speciality chemicals business — which includes fine chemicals—and it is doing so chiefly by acquisition. Last year Shell had fine chemicals sales—outside North America—of around £30m so the Ward Blenkinsop purchase will increase its turnover by nearly 50 per cent.

Shell's fine chemicals are used in the making of a wide range of products including agrochemicals, plastics and synthetic rubber.

Shell Petroleum, one of the two holding companies of the Royal Dutch/Shell group, is thought to have been able to buy Ward at £3.6m less than was offered by Laporte because of the current downturn in trading which is hitting all sectors of the chemical industry.

Provident Life

Total new annual premiums of Provident Life Association of London showed an increase of 16 per cent to £1.62m in the six months to June 30, 1980, compared with the same period last year.

Total new annual premiums in 1979 were £3.04m.

In the life assurance business, new annual premiums in the half improved from £1.07m to £1.14m, single premiums increased to £13,000 (£2,000) and new sums assured totalled £66.5m (£66.4m).

The pensions and annuity side showed new annual premiums of £478,000 (£323,000), single premiums unchanged at £222,000 and new sums assured £28.31m, against £12.3m. New annuities per annum amounted to £283,000 (£183,000).

Daily Mail & General Trust ahead

NET REVENUE of the Daily Mail and General Trust increased from £3.22m to £3.83m in the six months to March 31, 1980. This includes the proportion of profits of the associate company, Associated Newspapers Group, of which £1.52m is attributable

The interim dividend is 9.5p, against 9.368p paid as a second interim last time. A special dividend of 1.5p will also be paid in respect of deferred dividends from Shell—last year's total was 30p from pre-tax revenue of £22.6m. Dividends absorb £1.1m (£935,000). Stated earnings per 50p share are up from 11.7p to 15p. Net asset value per ordinary or "A" ordinary share is 657p (645p).

Total valuation of investments is £66.9m (£65.7m).

Assoc. Newspapers at £12m but forecasts slowdown

A RISE from £10.74m to £12.31m in pre-tax profits is reported by Associated Newspapers Group, for the half-year to March 31, 1980. Although this is in line with forecasts at the last year-end, the board says earnings in the second half are expected to be lower than the first half because of the deterioration in trading conditions and the effect of the industrial dispute in April and May in the group's provincial newspaper offices.

Turnover showed a substantial increase in the first half, advancing from £93.21m to £119.36m.

Tax is higher at £6.31m compared with £5.34m and, after minorities the attributable profit is £5.99m (£5.36m). Stated earnings per 25p share are 19.7p against 17.8p.

The interim dividend is 4.5p absorbing £1.37m (£1.35m)—last time, in addition to the interim of 1.975p, a second interim of 4.45p was paid and the total for 18 months was 12.375p from pre-tax profits of £39,965. Profit for the 12 months to September 30, 1979, was £23.9m.

Trading profits in the first six months amounted to £8.39m (£8.27m), and associates' share was £2.23m (£808,000).

Extraordinary items will be dealt with in the group's accounts for the full year.

Associated Newspapers publishes the Daily Mail, London Evening News and Weekend magazine and numerous provincial and weekly newspapers. The group also has interests in wharfage, transport, exhibitions, commercial radio, Southern Television and North Sea oil.

● comment

For a company heavily involved in the communications business, there was a definite dearth of of detail yesterday about the interim performance of Associated Newspapers, up 14.6 per cent at the pre-tax level. Almost all of the earnings rise seems to have come from associated income since the trading profit was nearly static as was investment income of £1.7m. Much of the growth on the associated side can probably be traced to loss elimination since withdrawing from certain North American interests such as the troubled Esquire Magazine. Southern Television may also have increased its contribution against the first half of last year. The group is predicting a difficult second half, resulting in part from the April-May industrial disputes in the provincial press business. But the balance sheet is strong and the group's stake in the Argyll Field will be helpful in future. At yesterday's 311p, the shares are trading on a prospective multiple of around 8, assuming £23m pre-tax for the year, which includes market hopes for the oil business.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Associated Nwspprs. int.	4.5	Aug. 28	4.45¶	—	12.38‖
Birmid Qualcast ......int.	1.5	Sept. 10	1.5	—	4
Crossfriars Trust	4**	—	2.82	6	4.17
Daily Mail Gen. Tst. int.	11††	Sept. 3	9.37¶	—	30
Gestetner ....int.	2.5	Sept. 15	2.5	—	5.25
Graig Shipping	10	Sept. 13	4	25‡	4
Idris Hydraulic ......int.	3	Sept. 15	3	—	14
Leda Inv. Trust ......int.	1.47	Aug. 29	1.33	—	3.78
Parambe ....int.	0.2	Sept. 4	—	—	0.5
Union Discount ......int.	9§	Sept. 1	6.38	—	20
Western Board Mills ...	3.6	Sept. 24	3	5.3	4.4

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Including anniversary dividend of 10p. § To reduce disparity. ¶ Paid as a second interim. ‖ For 18 months. ** Including 0.3p non-recurring from receipt of dividend arrears. †† Includes 1.5p special payment in respect of deferred dividend from Shell.

22% increase in new annual premiums for Hambro Life

NEW BUSINESS figures from Hambro Life show that new annual premiums rose 22 per cent to £25.6m in the first half of 1980 but new single premiums were down by a fifth at £30.9m.

New initial commissions, which give the biggest clue to the company's profitability, were 26 per cent ahead at £12.7m.

Premium income received over the period on annual policies (new premiums plus renewals) was up 25 per cent at £81m, and total premium income received (including single premiums) was 8 per cent better at £112m. Meanwhile, new sums assured rose 53 per cent to £1.02bn with total assets 20 per cent up at £980m

Mr. Mark Weinberg, deputy chairman and joint managing director of Hambro Life, attributes the disappointing trend of single premium business to the pre-Budget demand for high yielding guaranteed income bonds. Hambro Life decided not to enter this market but now that the very short term bonds have effectively been killed off by the Chancellor, the company's single premium business, which is traditionally erratic is expected to pick up in the second half.

Mr. Weinberg points out that new annual premium business, which now accounts for 90 per cent of new commissions, is much more important to Hambro Life. New initial commissions, he explains, rose more sharply than new annual premiums during the first half due to the strong demand for long term protection and whole life plans.

These pay higher rates of initial commission than personal pensions business, where demand has been largely unchanged over the first six months. "The increases in the personal contribution limits announced in the Budget have not yet passed into law. But when they do we feel this will be an attractive prospect for the second half," Mr. Weinberg says.

JERSEY GENERAL

Shareholders at the annual meeting of Jersey General Investment Trust were told the net asset value per share at June 30, 1980, was 349p.

The board expects a further increase in dividend when the interim announcement is made in October.

Western Board up to £1.4m

An increase in pre-tax profits from £1.2m to £1.4m is reported by Western Board Mills, the Pontypridd board manufacturer, for the year to March 31, 1980. At halfway the company reported taxable profits of £0.65m against £0.55m, and was expecting a similar improvement over the full term.

The year-end figure includes profits of £49,363 (£19,433 loss) on the sale of quoted investments. Turnover was £3.72m (£3.41m). Taxation took £0.7m (£0.63m), leaving an attributable balance of £0.7m (£0.57m).

The final dividend is lifted to 3.6p (3p) making a total of 5.3p (4.4p), and stated earnings per 10p share are 13.2p (10.7p).

Bond Street stake probe

THE TAKEOVER PANEL is looking into the ownership of shares in Bond Street Fabrics, which is currently trying to fend off an attempt by Grovebell to have its directors appointed to the board.

Grovebell already has a 28.9 per cent stake in Bond Street and has the support of a number of small nominee holdings in its efforts to get its five appointees on to the board.

The Panel is looking at these nominee holdings to establish whether Grovebell has any beneficial interest in them and has already had a meeting with Mr. Vasant Advani, chairman of Grovebell, on this issue.

The Takeover Panel said yesterday that it was in contact with both Bond Street and Grovebell, and was "keeping the situation under review."

Under the Takeover Panel rules, the purchase of 30 per cent or more of a company's shares triggers a mandatory bid.

Meanwhile the battle of words between the two companies continued yesterday with Mr. Kenneth Mackenzie, chairman of Bond Street, writing a further letter to holders urging them to reject Grovebell's proposals, which will be put at an extraordinary meeting on July 22.

Mr. Mackenzie claims that Mr. Advani and his associates are attempting to take control of the Bond Street board. He also says the appointees have no textile industry experience, Mr. Mackenzie claims his efforts to prevent Mr. Advani's move has the support of the group's employees, suppliers, customers — including British Home Stores, Littlewoods and Marks and Spencers—and its bankers.

Mr. Advani said yesterday he was "not interested in management control." It was not his intention to change the course of the company but to put things right in existing areas, he said.

Murray Johnstone planning to reshape its investment trusts

BY TIM DICKSON

PLANS TO UNITISE one of their investment trusts and reshape the portfolios of the other five were announced yesterday by Glasgow based investment managers Murray Johnstone.

Proposals for unitisation will in due course be presented to the shareholders of Murray Minor Investment Trust, in which the other Murray Johnstone investment trusts own more than 60 per cent of the capital.

The Murray Johnstone board says "little use is being made of the distinctive advantages of an investment trust" while "the market value of the shares not held by the other Murray Johnstone trusts is less than £2m resulting in a very restricted market." After unitisation the remaining investment trusts intend to retain their stakes.

As for the other five, the board has concluded that "investment trusts have a number of advantages over unit trusts" but that "some divergence in the policies of individual companies would be desirable."

Mr. Raymond Johnstone, managing director of the group, explained yesterday "that in recent years the five companies have followed substantially the same investment policies and have held similar portfolios." The objective has been to achieve an above average overall return, combined with a steadily rising dividend.

The change of policy had been made possible, he explained, by the abolition of exchange controls and the exemption from capital gains tax proposed for authorised investment trusts in the Finance Bill. This has made it easier and cheaper to reshape portfolios.

While these will continue to be based primarily on the UK, the U.S. and Japan, the new emphasis for each group will be as follows:

Murray Caledonian: This trust will concentrate more on revenue with above average increases in dividend expected over the next few years. The proportion of investments in the UK is likely to be higher than the current level.

Murray Clydesdale: Here the primary objective will be net asset growth, with the number of holdings in unlisted companies increasing as opportunities emerge.

Murray Glendevon: The feature here will be the maintenance of a high level of gearing. The fund will continue to invest in smaller companies but a substantial proportion will be maintained in more marketable securities.

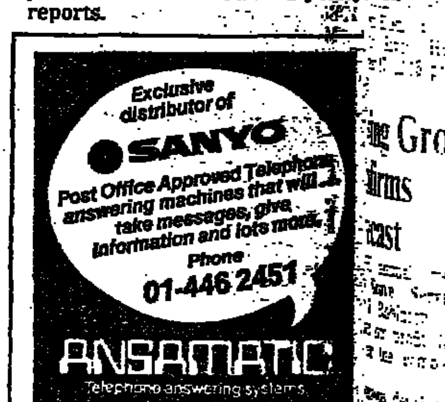
Murray Northern: Greater emphasis will be placed on areas in which individual investors would find it difficult to find a direct interest.

Murray Western: Present policy balancing net asset growth and steadily rising income to be continued.

Mr. Johnstone stressed that the new policies were "broadly defined" so that the managers could move in and out of various sectors as they saw fit. Shareholders would, he said, be kept posted in annual and half yearly reports.

SPAIN

July 16	Price %	+ or −
Banco Bilbao	228	
Banco Central	248	−2
Banco Exterior	210	
Banco Hispano	222	−4
Banco Ind. Cat.	120	
Banco Madrid	141	
Banco Santander	279	−2
Banco Urquijo	142	−3
Banco Vizcaya	236	−2
Banco Zaragoza	213	
Dragados	80	
Espanola Zinc	59	
Fecsa	60.2	−0.3
Gal. Preciados	24	
Hidrola	65.7	
Iberduero	61.7	+0.5
Petroleos	114	−1
Petroliber	85	
Sogefisa	107	
Telefonica	61	
Union Elect.	65	−0.7



Birmid expects major shortfall in second half

ALTHOUGH PROFITS of **Birmid Qualcast** show a sharp rise from £1.94m to £4.76m in the 26 weeks to May 3, 1980, the directors say margins are under considerable pressure and second half results are likely to fall substantially short of the first half's performance.

In April, a dramatic and widespread slump in demand affected most parts of the group and marred the first half performance. High rates of sterling, inflation and interest are expected to further depress levels of demand in many areas, the directors add.

The interim dividend is being maintained at 1.5p per share—the total last year was 4p from pre-tax profits of £3.11m.

First half profit is after interest of £1.76m (£568,000), associates' losses of £188,000 (£226,000) and £1.8m rationalisation costs in the previous half year. Turnover amounted to £125.28m against £114.72m.

Trading results matched expectations during much of the first half with the heating division and the home and garden equipment side improving their performance.

Demand was not particularly buoyant from the other two divisions. The steel strike brought several problems although these did not prove to be too severe, the directors add.

Further closures were not expected this year, but since then two other significant factors have emerged, the board states.

At Birmetals, which has incurred losses in recent years, the manual workforce instituted a long running industrial dispute in pursuance of an interim pay claim which the company could not entertain.

Secondly, a further severe cutback in demand from the tractor industry has coincided with the imposition by environmental authorities of a March, 1981, deadline by which date the Dartmouth Auto Castings No. 2 foundry must comply with emission control regulations.

Compliance would entail immediate expenditure of over £2m without any improvement in productivity and this comes at a time when it is impossible to assess when and to what extent there will be an upturn in demand from the tractor industry, the directors say.

It has been decided, with reluctance, but with the long term interests of the group in mind, that Birmetals and Dartmouth No. 2 foundry should both be closed.

A proportion of the work currently undertaken in the No. 2 foundry will be taken up early in 1981 by other group companies which are currently operating below normal capacity and thereby improve their future potential.

It is not possible to estimate at this stage the net cost of these actions which will fall into this year's accounts because disposal of surplus assets will extend into 1981. Any attempt to make a provision at the interim stage could, therefore, be extremely misleading, and these matters will be more fully dealt with in the annual report and accounts.

	26 weeks 1980 £000	1979 £000
Turnover	125,278	114,718
Trading profit	6,701	4,538
Interest payable	1,756	568
Associates losses	188	226
Rationalisation costs	—	1,800
Profit before tax	4,757	1,944
Tax	1,950	400
Net profit	2,807	1,544
Minorities	96	14
Attributable	2,903	1,558

● comment

Not so many months ago, it was possible to conjecture a reasonable recovery at **Birmid Qualcast**. Capital spending had peaked and reorganisation, which had clipped profits by £7.3m in the last three years, was apparently over. Moreover, the group was making useful strides in the growing light alloy automotive components market. Interim profits are usefully up this year and the Potterton operation has performed well. Yet City estimates that pre-tax profits this year might be pushed forward into double figures were never really taken to heart and the share price did not have to adjust too far yesterday to offer a critical yield of 17.6 per cent at 34p. It may have taken exceptional circumstances to precipitate the fresh round of closures but the second Dartmouth foundry has only been running at 30 per cent of capacity and its future would have been in severe doubt even in the absence of new pollution controls. The group, by contrast, had been holding out strong mid-term hopes of Birmetal. But losses here have already swamped the £300,000 deficit of 1978-79 and the full year loss is expected to be very heavy indeed. It may be too early to decide how the seasonal operations will perform but it appears that all the businesses related to the automotive and tractor sectors have been losing money since April and there is no sign of a demand upturn after the summer break. The share price is saying that the final dividend will be cut to absorb hefty write-offs both above and below the line and the trading picture plainly reinforces that view but Birmid has dipped into reserves before and the last balance sheet was healthy enough with gearing of only 18.5 per cent.

Graig Shipping back in profit with £0.8m

A RECOVERY from pre-tax losses of £1.21m to profits of £837,071 has been achieved by **Graig Shipping Company**, a bulk cargo-carrying group with interests in property and oil and gas exploration, in the year to March 31, 1980.

A final of 10p lifts the dividend to 25p, including a special anniversary payment of 10p, compared with last year's single distribution of 4p.

At midway there was a turnround from losses of £778,330 to a surplus of £271,669, which the directors said was brought about by a greatly improved freight market. They warned then that it was difficult to anticipate future prospects when world opinion seemed to expect a further recession in 1980.

Trading profits for the year amounted to £1.46m against losses of £234,033, and the pre-tax surplus is struck after depreciation of £618,929 (£972,081).

A tax charge of £380,766 (£8,571) leaves the net profit at £456,114 compared with a profit last time of £111,419, after an extraordinary credit of £1.33m.

● comment

After four successive years of pre-tax losses, **Graig** has at last set its house in order—a fact which has been heavily discounted in the recent share price rise. A ship disposal and the cancellation of a Japanese order have produced a dramatic improvement in the balance sheet. The group has sizeable unrelieved capital allowances so the fairly heavy tax charge probably reflects interest receiveable of up to £500,000. At the same time, rising freight rates have boosted earnings from the two owned and three chartered vessels. Tight ownership makes the shares highly volatile and yesterday's figures left them 50p lower at £14¼. On stated earnings, the p/e is a heady 15.8 but the main attraction of the shares lies not so much in the short-term earnings prospects, which look a little cloudy as spot freight rates ease, but in the asset backing of perhaps £22 per share and the eventual return from onshore oil and gas licences. Even after a special anniversary dividend, the yield is minimal.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Bensfords, East Daggafontein Mines, Glass Glover, Lonrho, David Scott, South African Land and Exploration, Vaal Reefs Exploration and Mining, Western Deep Levels.

Finals: Allnatt London Properties, Christie-Tyler, Distillers, G. M. Firth, Great Universal Stores, Haslemere Estates, Hollis Brothers and ESA, Merling Industries, Nova (Jersey) Knit, Syltone, Trustees Corporation, Unigate, Wellman Engineering.

FUTURE DATES

Interims:—	
Howard Machinery	July 25
Lambert Howarth	July 21
London and Lomond Inv. Trust	July 21
Moorside Trust	July 23
Prestige	July 30
Finals:—	
Amalgamated Distilled Prods	July 22
Cawoods	July 24
Common Market Trust	July 24
Investment Co.	July 23
MFI Furniture	July 22
Ransom (William)	July 31
Tomkins (F. M.)	July 25

Boulton and Paul near £6m

After a continued improvement in the second half, **Boulton and Paul**, structural engineers, reports taxable profits for the year to March 31, 1980, up from £5.22m to £5.9m. At halfway profits were £3.7m against £3.3m.

Turnover for the year was higher at £88.14m (£82.87m). Taxation took £1.99m (£2.5m) and after minorities of £91,000 (£61,000) the attributable balance is £3.83m (£2.95m).

The dividend for the year is raised from 3.6p to 3.8p and earnings per 25p share are given as 10.1p (7p). Boulton and Paul is a wholly owned subsidiary of the British Electric Traction Company.

Scapa confident of improvement

Scapa Group is confident of its ability to hold its place and even improve penetration of the markets it serves, Mr. T. Dickson Walker, chairman, tells members in his annual review.

With the current economic uncertainties in both Europe and America, he says it is difficult to assess the likely course of trading in 1980-81. Activity in the opening quarter has been well sustained, "but it is not practical to assume that this pattern will continue."

The chairman explains that the group has recognised the need to meet the problems of the day by concentration on economy of production and development of markets, and that Scapa is essentially a sound business, "with an eye for development and growth."

As reported on June 28, from turnover of £78.68m (£71.1m) pre-tax profits for the year ended March 31, 1980, fell to £8.29m (£8.79m). The dividend is increased to 6.55p (6.25p) net per share.

On a CCA basis profits are reduced to £5.03m (£6.35m), after additional depreciation of £1.99m (£1.76m), cost of sales adjustment £2.11m (£1.32m), less a gearing factor of £839,000 (£635,000).

Accounts show shareholders' funds of £43.7m (£41.74m), and loan capital and bank overdrafts of £17.6m (£15.4m).

Mr. Walker states that group facilities are considered adequate to match requirements in the immediate future, and to meet the demands of working capital the timing of capital expenditure has been extended where necessary.

Increase at Union Discount

TRADING PROFITS of the **Union Discount Company of London**, discount house, were greater in the half year to June 30, 1980, than for the same period last year.

Although a modest provision was required in last year's first half for the depreciation in the value of the portfolio, this year the market valuation was in excess of cost, the directors state in their interim report.

The net interim dividend, to reduce disparity, is lifted from 6.375p to 9p per £1 share and therefore carries no implication for this year's total—the 1979 total was 20p from net profits of £2.08m.

Mr. Peter Lee, managing director, says he is convinced that Minimum Lending Rate will fall to 12 or 13 per cent by the end of this year. He expects the reduction to come as a sudden drop—possibly a 2 to 3 per cent fall in the space of a month.

Lex, Back Page

B. Elliott looking to increase market share

THE OVERSEAS companies of **B. Elliott and Co.**, machine tool maker and general engineer, continue to do well, says Mr. Mark Russell, the chairman, and although short term prospects at home are not encouraging, he has confidence in the group's ability to increase market share in the UK and to seek out new markets overseas.

Pre-tax profits rose over 20 per cent to £11.39m for the year to March 31, 1980, on external sales up £18m to £111m—as reported June 26. At the end of May this year, overall workload stood at £40m, but in the UK there has been a marked decline in the engineering sector in recent weeks.

On a CCA basis, historical profits are reduced to an adjusted £6.76m pre-tax.

Expenditure on fixed assets in the 1979-80 year amounted to almost £7m (£3.6m) and outstanding commitments at April 1, 1980, were £1.8m (£2.4m).

Meeting, Savoy Hotel, WC, September 17, 12.15 pm.

And the dividend is lifted to 6p (4.17p) net per 25p share with a final of 4p, which includes a 0.3p non-recurring payment resulting from the receipt of dividend arrears during the year.

Gross revenue amounted to £990,972, compared with £706,532.

H. Samuel deal gives it seven more branches

Mr. Ronald Collingwood, chairman of **H. Samuel**, told shareholders at yesterday's AGM that negotiations have been concluded to acquire for cash a jewellery business in south-east England which will give the company representation in seven towns where it is not at present trading.

In addition, he said, a further seven new branches will have been opened by the end of the year. At the multiple retail jeweller's headquarters in Birmingham, additional buildings have been acquired on an adjoining 1½-acre site.

On future prospects Mr. Collingwood said that trading conditions in the High Streets were difficult due to the general recession in industry but the standard of the group's branches was higher than ever and he was confident that the company will retain its position as market leader.

The board intends to continue the growth and expansion of the group.

Spring Grove confirms forecast

AT THE annual meeting of **Spring Grove Services**, Mr. G. H. J. Robinson, chairman, confirmed his profit forecast of £3.8m for the company's first year.

The various development programmes, he stated, were more or less proceeding on time, as well as the number of cost reduction programmes, "all of which will place the company in a better position for the future."

The forecast was made last November, at the time of the offer for sale—listing was granted for the 25m shares in December.

Leda Trust ahead at six months

Including dealing profits from its subsidiary of £15,468 against £11,165, gross revenue of **Leda Investment Trust** went ahead from £158,048 to £184,873 in the half year to June 30, 1980.

After tax of £46,786 (£42,116), income share earnings are shown up from 1.72p to 2.09p. The net asset value per capital share is 64.8p (58p).

The interim dividend is lifted from 1.33p to 1.47p net—last year's total was 3.78p.

Crossfriars earns and pays more

After tax of £283,213 against £207,438, revenue of **Crossfriars Trust**, investment trust, came out well ahead from £417,772 to £611,540 for the year ended June 30, 1980.

Frank Horsell in line with forecast at £1.16m

IN LINE with its forecast, the **Frank Horsell Group**, printing products manufacturer, improved taxable profits from £1.04m to £1.16m for the year ended March 31, 1980, and is paying a single, final dividend of 3.5p net per share.

Mr. Geoffrey Horsell, acting chairman, says that results were achieved despite difficulties caused by the steel strike, which affected ink supplies to the canning industry.

Commenting on immediate prospects he says the group, in common with British industry in general, faces ever increasing costs, some declining in demand, and a "generally unhealthy economic background," including the effect of the strong pound.

He adds, however, that one of the group's resources to contend with these difficulties will be the £1m investment in a continuous process plate production line, which incorporates micro-processor controls and laser scanning inspection, at Horsell Graphic Industries.

"We expect to commission it during 1980-81 whereafter it will provide greatly increased capacity, improved quality and reduced production costs."

Turnover for the year expanded to £8.36m (£6.99m) and profits were subject to tax of £143,000 (£475,000) and an extraordinary debit of £82,000.

Earnings per 20p share are shown as 31.9p against 17.6p.

Horsell joined the market made by M. J. H. Nightingale and Co. last December, with a placing of 421,075 shares at 88p.

Meeting, Leeds, July 31, at 11.30 am.

Rolfe & Nolan touch 78p

Shares of computing services company **Rolfe and Nolan** rose to 78p yesterday, after initial dealings at 67p, under Stock Exchange Rule 163 (2).

The shares, which were introduced to the market on Tuesday by way of a £0.45m placing at 51p a share, closed at 70p after very quiet trading and light stag selling at the peak. At 70p, the shares have an historic p/e of 20 on fully taxed profit in the year to February 29, 1980

MINING NEWS

South Australia holds up Getty Oil exploration

BY GEORGE MILLING-STANLEY

THE South Australian Government has decided to defer the granting of mineral exploration licences in the state's Officer Basin to Getty Oil Development, a subsidiary of America's Getty Oil, until the company starts preliminary discussions with aboriginal leaders concerning sacred sites in the area.

Mr. Roger Goldsworthy, South Australia's Mines and Energy Minister, said that the order reflects the Government's desire to maintain proper relations with the Pitjanjatjara tribal council. The council said earlier that there could be no prospecting until there had been talks, and so far there had been no contact with Getty.

Getty is also involved in the huge Jabiluka uranium project in the Northern Territory, in partnership with Australia's Pancontinental Mining. The partners are still waiting for a go-ahead from the Federal Government to develop the deposit, discovered some eight years ago.

Tests by the Department of Mines and Energy have shown that the Officer Basin has the potential for a variety of minerals, including oil, Mr. Goldsworthy said.

Exploration permits already granted in the same area to Comalco are unaffected by the decision on Getty, as the Australian company has opened negotiations with the tribal council.

Comalco, which is controlled by London's Rio Tinto-Zinc group and Kaiser Aluminum of the U.S., yesterday reported that production of bauxite during the second quarter increased by 15.5 per cent to 2.59m tonnes, while shipments were 9.8 per cent higher at 2.78m tonnes.

Both domestic and export markets for bauxite remained relatively stable, Comalco said. Shipments were brought forward to take advantage of the availability of transport, with the consequence that levels are expected to be somewhat lower during the second half of the year.

Production of primary aluminium from the company's smelter at Bell Bay, Tasmania, and its 50 per cent-owned Tiwai Point smelter in New Zealand rose by 3.2 per cent during the quarter to 49,446 tonnes.

Comalco spent A$177,546 (£88,773) on exploration in the period. The main areas of exploration, apart from its basic raw material bauxite, were steaming coal for power generation and fluorite and irons, both of which are used in the production process.

Meanwhile, Getty Oil Development has announced its withdrawal from a gold exploration joint venture near Bundaberg, in Queensland. Getty took part with Australia's Samantha Exploration and Samson Exploration in an evaluation programme at the Mount Rawdon gold deposit.

The study indicated probable ore reserves of around 12m tonnes grading a mere 1.7 grammes of gold per tonne, and a higher tonnage of even lower grade material.

Getty said yesterday that it was withdrawing because the prospect did not meet its economic objectives. Samantha and Samson said that they consider the project viable, and they will each take a 50 per cent stake.

Gencor quarterlies follow trend

THE JUNE quarter results from the South African gold mines in the merged General Mining Union Corporation (Gencor) group tell a similar story to the groups which have already reported.

The average gold price received by the Gencor mines during the period was between $60 and $100 per ounce lower than in the March quarter, and working costs were higher, leading to reduced working profits. The decline at the net level has been partially offset by lower taxation and in most cases higher sundry income, especially where uranium operations come into the picture.

Most of the mines have tried to compensate for the fall in the bullion price by raising their milling rates, but the benefits of this have been reduced by the trend towards mining lower grade ores. In general, the increases in working costs at the Gencor mines were contained to modest proportions.

West Rand Consolidated remains the group's major problem, because of the low gold recovery grades. The fall in the average price received to $535 per ounce from $604 led to a substantial increase in the working loss on gold. But State aid coupled with a rise in the contribution from uranium, higher net tribute and royalty payments and a lower tax charge gave the mine an increase of almost 6 per cent in net profits.

Net profit figures for the Gencor mines are compared in the accompanying table. The group is owned as to 50.05 per cent by Federale Mynbou.

	June qtr. R000	Mar. qtr. R000	Dec. qtr. R000
Bracken	2,852	3,721	2,209
Buffels	28,053	32,312	21,957
Grootvlei	5,502	7,463	5,730
Kinross	8,686	10,447	6,501
Leslie	2,639	3,137	1,749
Marievale	1,071	1,704	1,082
St. Helens	16,830	20,859	13,599
Stilfontein	13,192	19,535	10,026
Unisel	9,985	14,731	6,880
W Rand Cons.	¶2,941	†2,502	†2,864
Winkelhaak	14,444	17,602	11,745

* Loss. ¶ After receipt of State aid. † After repayment of State aid.

Noranda sees profit fall this year

THREE OF Canada's leading natural resources companies yesterday reported improved profits for the first half of the current financial year.

Noranda Mines, the largest of the three, turned in a one-third rise in net profits to C$186.3m (£68m) on sales 28 per cent ahead at C$1.42bn, but the group warned that it now seems unlikely that last year's record earnings per share of C$4.85 can be equalled.

The continuing strike at the group's 64.1 per cent-owned Brunswick Mining and Smelting, and equipment problems at the 50.9 per cent-owned Brenda Mines will have an adverse impact on third quarter earnings, Noranda said.

Denison Mines, one of the world's leading producers of uranium, saw net profits rise by 15 per cent to C$33.89m on sales higher by a similar percentage at C$174.6m. The company attributed the rise largely to higher income from oil and gas.

The picture at Kaiser Resources is distorted by the sale of its Canadian oil and gas interests during the period. Net profits are shown at C$246.5 against C$31m, but over C$230m of the figure for the current period is accounted for by the disposal.

BIDS AND DEALS

'Dawn raid' on Pritchard

BY CHRISTINE MOIR

CARR SEBAG, acting as broker to Provincial (formerly Provincial Laundries) and the private interests of Mr. Michael Ashcroft, its chairman, bought 8.85 per cent of Pritchard Services Group for £1.4m in a six-minute "dawn raid" yesterday morning.

Provincial and Mr. Ashcroft already owned 11.25 per cent of Pritchard so the market manoeuvre increased the stake to 20.1 per cent.

Mr. Ashcroft said yesterday that he had "no present intention" of making a bid for the rest of the company, but he would "consider" buying more shares up to a maximum of 29.9 per cent of Pritchard at prices not over 70p.

At that price Mr. Ashcroft values Pritchard at £15m. Provincial's own market capitalisation is £7.2m or so.

Mr. Peter Pritchard, the executive chairman of the services group, said that the Board "would consider" inviting Mr. Ashcroft on to the Board at its meeting next week. He could not, however, pre-judge the Board's decision, he said.

The two groups have a common interest in garment hire, although Provincial's main business is in contract laundry work while Pritchard specialises in garment and cabinet towel rental.

Pritchard also has interests in stone cleaning and security services, as well as industrial cleaning and building maintenance which provided 75 per cent of last year's trading profits of £3.6m.

The market operation which netted Provincial 1.9m shares at 72½p apiece was the ninth such raid in the stock market this year.

Following the controversial raid carried out in February by Rowe and Pitman when de Beers acquired 11 per cent of Consolidated Gold Fields, a special Stock Exchange committee has recommended changes in the market rules governing such deals.

In particular, the committee wants notice of a pending raid posted in the market; equal opportunity given to all brokers to contact clients over possible sales; and no dealing before 9.30 am when the market opens.

It also wants a 30-minute suspension between notification and operation, and believes brokers should be required to fulfill at least half the buying order through the market rather than from personal clients.

Mr. Charles Telfer, the dealing partner of Carr Sebag who supervised the raid, said that all but the last two provisions had been complied with, although the committee's recommendations have not yet been adopted by the Stock Exchange Council.

The broker had bought 700,000 of the 1.9m shares offered for, from the market. The remainder had come from private clients and about a dozen institutions.

The question of a halt in trading had been discussed with officials in the Exchange but had not been agreed because no change in rules had yet been made and there was considerable division, even within the council, as to whether a trading halt was necessarily appropriate or beneficial prior to a raid.

With Provincial still potentially in the market "if suitable opportunities arise" at 70p, the shares of Pritchard held up well after the raid and closed at 69½p —up 5½p on the day.

Provincial's own shares rose ½p to 37½p.

Sainsbury associate buys Bibby meat subsidiary

J. Bibby, the industrial and agricultural group, has sold its wholly-owned meat products subsidiary, Palethorpes, to an associate of J. Sainsbury, the supermarket group, for £1.85m.

Haverhill Meat Products, 50 per cent owned by Sainsbury and 50 per cent by Canada Packers, is to expand the Palethorpes operation in conjunction with the planned expansion of Sainsbury in the north west.

Bibby, which is developing its industrial side, considers that the business of Palethorpes does not fit in with its longer-term development plans.

Last year the Haverhill company earned £2.4m on a turnover of £56.6m. Haverhill employs about 1,900 people.

TRICENTROL IN U.S. BID PLAN

Tricentrol, the British oil company, has announced its intention to make a U.S. acquisition "by the end of the year."

Mr. James Longcroft, the chairman, yesterday indicated that the company is interested in an exploration company costing between $150m and $200m. But he said no such acquisition would be attempted for at least three months.

HARRISON COWLEY

In addition to the placing of 30 per cent of the capital on July 2, directors of Harrison Cowley (Holdings) have placed further shares as follows: D. Harrison, 265,000; I. D. McDiarmid, 55,000; P. T. Beaham-Powell, 55,000; A. J. Corbett, 55,000; and A. A. Ross, 12,500.

SCOTCROS AND ALFRED CONNER

Scotcros, the industrial holding company, is to buy freehold and leasehold property and certain items of plant and equipment from the receiver of Alfred Conner, a Nuneaton-based printer and cardboard box maker, for £325,000.

It has also agreed to acquire certain stocks and work-in-progress for a sum to be based on their agreed value at completion. The estimated value of the stocks—£250,000—will be settled partly at completion and partly as stocks are subsequently drawn down.

RACAL BUYS CHICAGO COMPANY

The Racal electronics group has bought Telesystems Network, a Chicago company, which designs and manufactures specialised data communications products, for an initial payment of $600,000 (£253,000), to be followed by further agreed sums based on future performance.

The company becomes a subsidiary of Miami-based Racal-Milgo which will have responsibility for manufacture and marketing of the Telesystems range of computer and peripheral protocol converters.

County & District talks

BY MICHAEL CASSELL

County and District Properties announced yesterday that it is having talks which may lead to an offer being made for all the issued share capital in the group.

The company declined to say who was involved in the discussions, which it said were at an early stage. A further announcement would be made as soon as possible. The news pushed County and District shares up 55p to close at 210p.

Sir Robert McAlpine (C.T.L.) has a 22.5 per cent interest in the group, which it acquired in November 1977. Just over 2 per cent of the equity is controlled by Mr. Leslie Melville, chairman and managing director of County and District, and other Melville family interests.

In the half-year to September 30, 1979, pre-tax profits of County and District amounted to £309,000 (£292,000) and directors said they expected a further improvement in the second half. Rental and management income rose from £462,000 to £493,000. Assets per share at the end of the last financial year stood at 217p.

directors in the voting shares represent more than 65 per cent of the ordinary shares and makes the company a "close company" again under the provisions of the 1970 Taxes Act.

SHARE STAKES

George H. Scholes—Britannic Assurance interested in 522,500 ordinary (12.19 per cent).

Bambers Stores — Mr. L. Vernon, director, has acquired 25,000 ordinary shares.

Group Investors—The non-beneficial interests of Mr. E. D. Barlow and Mr. P. W. Darwin, directors, have been reduced by 6,860 and 24,660 ordinary shares respectively.

PANAMANIAN STAKE IN STODDARD

Hampton Corporation, a Panamanian registered company, has increased its stake in Stoddard Holdings' voting shares to 12.05 per cent. Total voting shares in issue amount to only about 12 per cent of Stoddard's issued capital.

Together, Hampton's stake and the holdings of Stoddard's

HOPKINSONS

Hopkinsons Holdings, the valve company, announces that its Wolstenholmes (Radcliffe) subsidiary has bought the stainless steel valve manufacturing interests of Royles of Irlam, Manchester.

The consideration, wholly in cash, was considerably less than 5 per cent of the group's assets.

Parambe jumps to £14,906 at halfway

Taxable profits of Parambe, investment company, jumped from £8,566 to £14,906 in the six months to June 30; investment gains of the dealing subsidiary were up from £1,408 to £2,015.

Turnover rose to £56,335 (£38,910). Taxation took £4,464 (£3,043).

Realised investment gains, including £140,000 on the sale of Italian gas interests and Sri Lanka compensation, added £167,309 (£10,263), and retained profit was up from £15,786 to £170,250.

There is an interim dividend of 0.2p, with a forecast final of 0.4p. For 1979 the company paid a single dividend of 0.5p net on pre-tax profits of £29,000.

Earnings per 10p share are given as 0.28p (0.15p). Net asset value per share was 17p at June 30 (11.3p at the year-end).

TALBEX

Talbex Group reports the repayment of £192,506 of 11½ per cent convertible redeemable unsecured loan stock 1979-83 on July 14, the balance of £146,631 stock remaining in issue.

Commercial zest for BR offshoots

BY LYNTON McLAIN

THE long-heralded plan to add a commercial touch to British Rail's non-rail subsidiaries through exposure to private risk capital was launched this week with talk of a golden future for hotels, ferries, hovercraft and BR property.

The plan, agreed by the Government and the British Railways Board, involves setting up a holding company.

This will embrace Sealink UK, British Rail Hovercraft, British Transport Hotels and the non-rail assets of the British Rail Property Board generally regarded as the brightest star in Sir Peter Parker, the BR chairman's "constellation" of activities.

The total net book value of the fixed assets of the four opertations is currently put at about £380m, which earned total operating profits of about £20m on a £250m turnover last year.

The objectives of the initiatives taken by the Transport Department and by British Rail in seeking to set up a holding company are twofold. The Government wants to find ways of reducing the public sector borrowing requirement and it believes it can achieve this if the non-rail assets of BR can be shunted into the private sector.

Keeping its assets

British Rail, on the other hand, is not anxious to lose any of its assets. Nobody, Sir Peter Parker included, likes to be seen welcoming a loss of empire.

This firm stance forced Mr. Norman Fowler, the transport minister to finally reject outline ideas—mooted early in the joint discussions by Government officials—to "hive-off" the non-rail assets completely into the private sector.

Sir Peter would have none of this but wanted changes made in the way the generally sluggish non-rail subsidiaries could be given greater freedom and access to much needed private sector funds.

The formula finally agreed by the Minister and Sir Peter calls for British Railways Board to own 100 per cent of the holding company. Ultimately, at a time to be agreed by British Rail, but subject to the timing of legislation necessary to strengthen the British Railways Board's powers and those of the Minister, the subsidiary businesses will pass into "effective private ownership."

The word "effective" is important. British Rail interprets it to mean that it will always retain control of the holding company. Mr. Norman Fowler, on the other hand, believes BR must eventually lose control if the subsidiaries are to "escape the constraints of public spending controls."

The details of how private funds will be brought into the subsidiaries have not been settled, despite the lengthy talks.

However, a "variety of initiatives" is proposed including one or more flotations of shares, joint ventures with private sector partners and straightforward sales of property.

The individual assets, and performances of some of the non-rail subsidiaries may appear as glittering potential prizes for private investors.

Gleneagles Hotel, Perthshire, is the best example, but Sealink UK has some new ships entering service this year which go some way towards overcoming the problems associated with vessels over 30 years old.

British Transport Hotels owns 29 hotels in England and Scotland. The gross income from the hotels last year was £38m which produced an operating surplus of £328,000. The total staff at the end of last year was 4,500.

British Rail admits that last year was a "struggle," for the hotels business. The fall in overseas tourist numbers hit hardest at the BTH group of leisure hotels. The group's city centre hotels, especially in London, had an active year.

Less fortunate were the six hotels in the "investment" group, the name given by BTH to the hotels in areas where industry, and hence business, is in a depressed state. These hotels are the Midland at Derby, The Royal Victoria, Sheffield, the Grand Hotel, Hartlepool, the Royal Station Hotels at Hull and Newcastle upon Tyne and the Station Hotel at Perth.

The British Rail Property Board had a gross rental income of £41.8m last year, which produced an operating surplus of £29.4m before development land tax. The Board employed just over 1,100 people last year.

Rental rose by £7.6m for the year, a rise of 22 per cent over 1978. The surplus was up by 18 per cent compared with 1978.

British Rail has estates totalling 200,000 acres, of which 170,000 are fully operational. The balance is all that is expected to be made available in the portfolio under the holding company. But a "significant proportion" of the remainder, classed as non-operational, is occupied and revenue producing. In addition, BR has 1,500 miles of closed branch lines, with "liabilities" such as cuttings, embankments and tunnels which make them unattractive to potential buyers.

Sealink UK made an operating surplus of £13.7m on a gross income of £194m last year, its first full year as a company wholly owned by the British Railways Board.

Shipping profits

Ship operations produced a gross income of £173.5m, and an operating surplus of £9.7m last year, when Sealink UK owned 51 vessels.

However, Sealink UK also owns 11 ports including Harwich (Parkeston Quay), Folkestone, Newhaven, Stranraer, Fishguard and Holyhead, which are Sealink bases. The ships also operate from leased berths at Dover, Portsmouth and Weymouth.

The Harbours operation had a gross income of £20.6m last year which produced an operating surplus of £4m.

British Rail Hovercraft made a loss last year of £813,000, despite offering more capacity and carrying more passengers than ever before. Total gross income was £12.35m. The company owns two Super 4 hovercraft, and last year a 30 per cent increase in the fuel bill for hovercraft operations seriously affected results, although the final loss was 64 per cent better than the £2.3m loss in 1978.

RESULTS AND ACCOUNTS IN BRIEF

GREENBANK TRUST—Gross investment income for half-year ended June 30, 1980, £28,616 (£26,557 and £33,448 for 1979 year). Net asset value per 25p ordinary, 104¾p (99½p and 92¾p). Valuation of investments £836,045 (£783,235 and £750,310). Net liquid liabilities £2,320 (£12,280 net liquid assets and £12,053 liabilities for year). Directors say it seems likely that dividend for year will be at least equivalent to previous year's 4.2p.

BRITISH BENZOL CARBONISING (manufacturer of coke, smokeless fuels and other coal by-products)—Results for the year to March 31, 1980, and prospects, reported July 1. Shareholders' funds £4.78m (£4.11m), cash and bank balances £518,000 (£284,000). Historic profits of £774,000 (£1.25m) reduced to £439,000 on a CCA basis.

NESCO INVESTMENTS (generator and distributor of electricity in Nigeria and UK investor)—Results for year to February 29, 1980, already known. Shareholders' funds £4.08m (£4.55m), cash and bank balances £2.08m (£1.82m), investments £153,836 (£257,335).

COMMERCIAL PROPERTIES—Turnover for 1979 £1.66m (£1.46m); profit £1.09m (£0.99m) before tax £0.56m (£0.36m) and extraordinary credits £0.33m (£32,000). Dividends £72,500 (£237,800). Bank loan £0.75m (£1.5m).

هكذا من الأصل

General Mining Union Corporation Group

Gold Mining Companies' Reports for the Quarter ended 30 June 1980

All companies mentioned are incorporated in the Republic of South Africa

STILFONTEIN
Gold Mining Company Limited

Issued capital – 13,082,920 shares of 50 cents each.

Operating results	Quarter ended 30.6.1980	Quarter ended 31.3.1980	6 months ended 30.6.1980
GOLD			
Mined (m²)	143,720	136,534	280,254
Ore milled (t)	482,000	480,000	962,000
Gold produced (kg)	4,340·000	4,320·000	8,660·000
Yield (g/t)	9·00	9·00	9·00
Working revenue (R/t milled)	129·47	156·72	143·07
Working costs (R/t milled)	43·90	42·25	43·08
(R/m² mined)	147·23	148·53	147·88
Working income (R/t milled)	85·57	114·47	99·99
Gold price received (R/kg)	14,131	17,330	15,715
($/oz)	580	684	609

The above figures exclude ore processed for Buffelsfontein Gold Mining Company Limited.

Financial results (R'000)	Quarter ended 30.6.1980	Quarter ended 31.3.1980	6 months ended 30.6.1980
GOLD – Working revenue	62,406	75,224	137,630
– Working costs	21,160	20,279	41,439
– Working income	41,246	54,945	96,191
Sundry income	657	501	1,158
Tribute and royalty payments – net	(3,600)	(4,500)	(8,100)
Income before taxation and State's share of income	38,303	50,946	89,249
Taxation and State's share of income	25,111	31,411	56,522
Income after taxation and State's share of income	R13,192	R19,535	R32,727
Capital expenditure	957	1,096	2,053
Dividend declared	20,901	—	20,901

Development	Quarter ended 30.6.1980 Vaal Reef	VCR	Quarter ended 31.3.1980 Vaal Reef	VCR	6 months ended 30.6.1980 Vaal Reef	VCR
Advanced (m)	8,782	160	8,017	146	16,799	306
Advanced on reef (m)	1,215	160	1,429	146	2,644	306
Sampled (m)	975	120	1,068	117	2,043	237
Channel width (cm)	26	61	22	58	24	59
Average value – gold (g/t)	55·4	2·5	76·7	3·5	66·5	3·0
(cm.g/t)	1,423	154	1,672	203	1,553	178
– uranium (kg/t)	0·882	0·093	1·207	0·089	1·052	0·090
(cm.kg/t)	22·67	5·70	26·31	5·13	24·57	5·42

Ore Reserves as at 30th June, 1980.

	Available	Unavailable	Inaccessible	Total Mine
Tons (000's)	2,702	231	3,348	6,281
Stope width (cm)	120	120	120	120
Value – gold (g/t)	11·15	12·15	8·64	9·85
(cm.g/t)	1,338	1,458	1,037	1,182
– uranium (kg/t)	0·166	0·181	0·133	0·149
(cm.kg/t)	19·91	21·76	15·92	17·88

Ore reserve pay limit is calculated at an estimated gold price of R13,070/kg ($500/oz).

REMARKS

Capital expenditure
Commitments in respect of contracts placed R172,000
Amounts approved not yet spent R3,655,000

Dividend
On 4th June, 1980 dividend No. 52 of 160 cents per share was declared to members registered on 20th June, 1980. Dividend warrants will be posted on or about 7th August, 1980.

Chemwes Limited

(A subsidiary of Stilfontein Gold Mining Company Limited)
Issued capital – 1,000 shares of R1 each.

Operating results	Quarter ended 30.6.1980	Quarter ended 31.3.1980	6 months ended 30.6.1980
Pulp treated (t)	854,000	859,000	1,713,000
Oxide produced (kg)	175,229	168,838	344,067
Yield (kg/t)	0·21	0·20	0·20
Financial results (R'000)			
Net income (loss)	1,484	(3,459)	(1,975)

REMARKS

Capital expenditure
Commitments in respect of contracts placed R760,000
Amounts approved not yet spent R4,409,000

WEST RAND
Consolidated Mines Limited

Issued capital – 4,250,000 ordinary shares of R1 each.
– 25,000 deferred shares of R2 each.

Operating results	Quarter ended 30.6.1980	Quarter ended 31.3.1980	6 months ended 30.6.1980
GOLD			
Gold section			
Mined (m²)	49,648	39,975	89,623
Ore milled (t)	232,000	181,500	413,500
Gold produced (kg)	530·437	485·182	1,015·619
Yield (g/t)	2·29	2·67	2·46
Uranium section			
Mined (m²)	122,854	112,942	235,796
Ore milled (t)	291,000	261,000	552,000
Gold produced (kg)	135·113	142·943	278·056
Yield (g/t)	0·46	0·55	0·50
Working revenue (R/t milled)	17·31	22·58	19·72
Working costs (R/t milled)	26·59	28·64	27·53
(R/m² mined)	80·61	82·85	81·67
Working income (R/t milled)	(9·28)	(6·06)	(7·80)
Gold price received (R/kg)	13,538	15,791	14,632
($/oz)	535	604	568
URANIUM			
Mined (m²)	122,854	112,942	235,796
Pulp treated (t)	287,400	261,900	549,300
Oxide produced (kg)	98,508	90,800	189,308
Yield (kg/t)	0·343	0·347	0·345

Financial results (R'000)	Quarter ended 30.6.1980	Quarter ended 31.3.1980	6 months ended 30.6.1980
GOLD – Working revenue	9,051	9,990	19,041
– Working costs	13,905	12,671	26,576
– Working loss	(4,854)	(2,681)	(7,535)
URANIUM – Working income	6,790	6,301	13,091
Sundry income	19	45	64
Tribute and royalty payments – net	610	(764)	(154)
Income at mine	2,565	2,901	5,466
State aid	385	(385)	—
Income before taxation	2,950	2,516	5,466
Taxation	9	14	23
Income after taxation	R2,941	R2,502	R5,443
Capital expenditure	616	177	793
Dividend declared			
– ordinary shares	319	—	319
– deferred shares	106	—	106
Development			
Uranium section			
Advanced (m)	6,533	5,654	12,187
Advanced on reef (m)	3,347	2,853	6,200
Sampled (m)	2,961	2,735	5,696
Channel width (cm)	58	58	58
Average value – uranium (kg/t)	0·892	0·986	0·937
(cm.kg/t)	51·76	57·47	54·50
– gold (g/t)	2·44	2·57	2·50
(cm.g/t)	142	150	146
Gold section			
Advanced (m)	2,117	1,108	3,225
Advanced on reef (m)	671	364	1,035
Sampled (m)	645	353	998
Channel width (cm)	59	89	70
Average value – gold (g/t)	9·94	12·52	10·55
(cm.g/t)	532	1,110	736

REMARKS

Capital expenditure
Commitments in respect of contracts placed R41,000
Amounts approved not yet spent R2,193,000

Recovery grade
The low gold recovery grade remains a problem.

Dividend
On 4th June, 1980 ordinary share dividend No. 98 of 7·5 cents per share was declared to members registered on 20th June, 1980. Dividend warrants will be posted on or about 7th August, 1980.

BUFFELSFONTEIN
Gold Mining Company Limited

Issued capital – 11,000,000 shares of R1 each.

Operating results	Quarter ended 30.6.1980	Quarter ended 31.3.1980	Year ended 30.6.1980
GOLD			
Mined (m²)	226,011	214,493	890,010
Ore milled (t)	822,000	800,000	3,204,000
Gold produced (kg)	6,415·764	6,432·197	25,826·377
Yield (g/t)	7·81	8·04	8·06
Working revenue (R/t milled)	109·79	135·40	101·18
Working costs (R/t milled)	42·58	41·34	41·00
(R/m² mined)	154·85	154·20	147·60
Working income (R/t milled)	67·21	94·06	60·18
Gold price received (R/kg)	13,761	16,840	12,495
($/oz)	543	641	478

The above figures include ore processed by Stilfontein Gold Mining Company Limited.

	Quarter ended 30.6.1980	Quarter ended 31.3.1980	Year ended 30.6.1980
URANIUM			
Pulp treated (t)	777,000	761,000	3,080,000
Oxide produced (kg)	154,400	152,700	611,400
Yield (kg/t)	0·199	0·201	0·199
Financial results (R'000)			
GOLD – Working revenue	90,250	108,318	324,171
– Working costs	34,998	33,074	131,366
– Working income	55,252	75,244	192,805
URANIUM – Working income	4,232	1,582	16,470
Sundry income	916	1,031	3,064
Tribute and royalty payments – net	(3,694)	(4,999)	(14,033)
Income before taxation and State's share of income	56,706	72,858	198,306
Taxation and State's share of income	28,653	40,546	102,220
Income after taxation and State's share of income	R28,053	R32,312	R96,086
Capital expenditure	11,009	7,040	30,157
Dividend declared	47,300	—	64,900
Development – Vaal Reef			
Advanced (m)	16,017	15,503	65,091
Advanced on reef (m)	1,544	1,563	7,444
Sampled (m)	1,407	1,518	7,167
Channel width (cm)	121	128	120
Average value – gold (g/t)	14·86	12·07	12·82
(cm.g/t)	1,796	1,548	1,533
– uranium (kg/t)	0·443	0·326	0·400
(cm.kg/t)	53·51	41·73	47·89

Ore Reserves as at 30th June, 1980.

	Available	Unavailable	Inaccessible	Total Mine
Tons (000's)	7,059	2,078	2,320	11,457
Stope width (cm)	151	150	148	151
Value – gold (g/t)	9·86	10·36	11·55	10·30
(cm.g/t)	1,494	1,555	1,710	1,549
– uranium (kg/t)	0·317	0·326	0·328	0·321
(cm.kg/t)	48·02	48·92	48·63	48·31

Ore reserve pay limit is calculated at an estimated gold price of R13,070/kg ($500/oz) and an estimated realisable value for uranium oxide.

REMARKS

Capital expenditure
Commitments in respect of contracts placed R15,812,000
Amounts approved not yet spent R82,104,000

Strathmore shaft system
The development of the Strathmore shaft system is progressing according to schedule.

Dividend
On 4th June, 1980 dividend No. 46 of 430 cents per share was declared to members registered on 20th June, 1980. Dividend warrants will be posted on or about 7th August, 1980.

KINROSS
Mines Limited

Issued capital – 18,000,000 stock in units of R1 each.

Operating results	Quarter ended 30.6.1980	Quarter ended 31.3.1980	9 months ended 30.6.1980
GOLD			
Mined (m²)	100,422	88,005	286,724
Ore milled (t)	400,000	400,000	1,200,000
Gold produced (kg)	2,320	2,320	6,960
Yield (g/t)	5·8	5·8	5·8
Working revenue (R/t milled)	R79·84	R92·97	R78·96
Working costs (R/t milled)	R24·03	R23·65	R23·55
(R/m² mined)	R95·71	R107·51	R98·57
Working income (R/t milled)	R55·81	R69·32	R55·41
Gold price received (R/kg)	13,620	15,890	13,497
($/oz)	552	609	525
Financial results (R'000)			
GOLD – Working revenue	R31,935	R37,189	R94,756
– Working costs	R9,611	R9,461	R28,262
– Working income	R22,324	R27,728	R66,494
Sundry income	R349	R192	R753
	R22,673	R27,920	R67,247
Tribute and royalty payments – net	R244	R395	R849
Income before taxation and State's share of income	R22,429	R27,525	R66,398
Taxation and State's share of income	R13,743	R17,078	R40,764
Income after taxation and State's share of income	R8,686	R10,447	R25,634
Capital expenditure	R71	R100	R443
Dividend declared	—	R15,120	R15,120
Development – Kimberley Reef			
Advanced (m)	3,068	3,079	9,560
Advanced on reef (m)	535	670	2,000
Sampled (m)	451	647	1,893
Channel width (cm)	62	49	52
Average value – gold (g/t)	15·2	15·9	18·4
(cm.g/t)	940	778	957
The above includes development for No. 2 shaft area as follows:-			
Advanced (m)	1,562	1,588	4,998
Advanced on reef (m)	135	145	513
Sampled (m)	104	148	494
Channel width (cm)	60	41	38
Average value – gold (g/t)	21·2	17·2	32·3
(cm.g/t)	1,271	704	1,227

REMARKS

Capital expenditure
Commitments in respect of contracts placed R344,000
Amounts approved not yet spent R6,670,000

Dividend
Dividend of 84 cents per unit of stock was paid on 16th May, 1980.

BRACKEN
Mines Limited

Issued capital – 14,000,000 shares of 90 cents each.

Operating results	Quarter ended 30.6.1980	Quarter ended 31.3.1980	9 months ended 30.6.1980
GOLD			
Mined (m²)	54,450	52,650	159,296
Ore milled (t)	216,000	210,000	621,000
Gold produced (kg)	864	924	2,685
Yield (g/t)	4·0	4·4	4·3
Working revenue (R/t milled)	R54·71	R69·64	R58·39
Working costs (R/t milled)	R22·52	R21·92	R21·98
(R/m² mined)	R89·33	R87·45	R85·73
Working income (R/t milled)	R32·19	R47·72	R36·41
Gold price received (R/kg)	13,248	15,547	13,238
($/oz)	537	586	514
Financial results (R'000)			
GOLD – Working revenue	R11,817	R14,625	R36,264
– Working costs	R4,864	R4,604	R13,656
– Working income	R6,953	R10,021	R22,608
Sundry income	R345	R62	R584
	R7,298	R10,083	R23,192
Tribute and royalty payments received (paid) – net	R2	(R5)	R2
Income before taxation and State's share of income	R7,300	R10,078	R23,194
Taxation and State's share of income	R4,448	R6,357	R14,412
Income after taxation and State's share of income	R2,852	R3,721	R8,782
Capital expenditure	R13	R14	R39
Dividend declared	—	R5,180	R5,180
Development – Kimberley Reef			
Total advanced (m)	921	651	2,304
Advanced on reef (m)	89	59	296
Sampled (m)	83	57	284
Channel width (cm)	20	22	32
Average value – gold (g/t)	20·3	83·0	30·2
(cm.g/t)	406	1,825	965

REMARKS

Capital expenditure
Amounts approved not yet spent R43,000

Dividend
Dividend of 37 cents per share was paid on 16th May, 1980.

WINKELHAAK
Mines Limited

Issued capital – 12,180,000 shares of R1 each.

Operating results	Quarter ended 30.6.1980	Quarter ended 31.3.1980	9 months ended 30.6.1980
GOLD			
Mined (m²)	121,290	118,997	360,994
Ore milled (t)	545,000	535,000	1,605,000
Gold produced (kg)	3,499	3,580	10,754
Yield (g/t)	6·4	6·7	6·7
Working revenue (R/t milled)	R86·50	R105·53	R89·48
Working costs (R/t milled)	R19·84	R19·83	R19·53
(R/m² mined)	R89·14	R89·15	R86·83
Working income (R/t milled)	R66·66	R85·75	R69·95
Gold price received (R/kg)	R13,309	R15,655	R13,236
($/oz)	539	600	514
Financial results (R'000)			
GOLD – Working revenue	R47,144	R56,485	R143,609
– Working costs	R10,812	R10,609	R31,344
– Working income	R36,332	R45,876	R112,265
Sundry income	R509	R605	R1,806
	R36,841	R46,481	R114,071
Tribute and royalty payments received – net	R368	R238	R606
Income before taxation and State's share of income	R37,209	R46,719	R114,677
Taxation and State's share of income	R22,765	R29,117	R70,888
Income after taxation and State's share of income	R14,444	R17,602	R43,791
Capital expenditure	R1,067	R673	R2,448
Dividend declared	—	R23,629	R23,629
Development – Kimberley Reef			
Advanced (m)	2,981	2,509	8,217
Advanced on reef (m)	797	364	1,688
Sampled (m)	790	371	1,641
Channel width (cm)	47	57	53
Average value – gold (g/t)	22·7	20·8	20·3
(cm.g/t)	1,066	1,188	1,074

REMARKS

Capital expenditure
Commitments in respect of contracts placed R1,187,000
Amounts approved in addition to commitments R5,326,000

Dividend
Dividend of 194 cents per share was paid on 16th May, 1980.

The GROOTVLEI
Proprietary Mines Limited

Issued capital – 11,438,816 stock units of 25 cents each.

Operating results	Quarter ended 30.6.1980	Quarter ended 31.3.1980	6 months ended 30.6.1980
GOLD			
Mined (m²)	112,599	104,579	217,178
Ore milled (t)	435,000	415,000	850,000
Gold produced (kg)	1,610	1,577	3,187
Yield (g/t)	3·7	3·8	3·7
Working revenue (R/t milled)	R49·71	R63·27	R56·33
Working costs (R/t milled)	R22·11	R20·97	R21·55
(R/m² mined)	R85·40	R83·21	R84·35
Working income (R/t milled)	R27·60	R42·30	R34·78
Gold price received (R/kg)	13,354	16,588	14,154
($/oz)	541	636	588
Financial results (R'000)			
GOLD – Working revenue	R21,625	R26,257	R47,882
– Working costs	R9,616	R8,702	R18,318
– Working income	R12,009	R17,555	R29,564
Sundry income	R19	R23	R42
	R12,028	R17,578	R29,606
Tribute and royalty payments – net	R189	R177	R366
Income before taxation	R11,839	R17,401	R29,240
Taxation	R6,337	R9,938	R16,275
Income after taxation	R5,502	R7,463	R12,965
Capital expenditure	R596	R156	R752
Dividend declared	R10,524	—	R10,524
Development – Kimberley Reef			
Total advanced (m)	1,164	1,100	2,264
Advanced on reef (m)	735	667	1,402
Sampled (m)	720	666	1,386
Channel width (cm)	17	20	18
Average value – gold (g/t)	36·7	32·2	35·2
(cm.g/t)	624	643	633

REMARKS

Capital expenditure
Commitments in respect of contracts placed R244,000
Amounts approved not yet spent R1,646,000

Dividend
On 13th June, 1980 Dividend No. 83 of 92 cents per unit of stock was declared to members registered at 4th July, 1980. Dividend warrants will be posted on or about 14th August, 1980.

General
A total of twelve boreholes have now been completed in the drilling programme laid out to evaluate the Kimberley Reef horizon in the lease area east and north east of the existing underground workings. The four holes drilled during this quarter were positioned north east of No. 3 shaft and north west of No. 6 shaft.

Bore-hole	No. of inter-sections	Depth (m)	True Width (cm)	Gold Assay (g/t)	Gold Value (cm.g/t)	Uranium (U3O8) Assay (kg/t)	Uranium (U3O8) Value (cm.kg/t)	Core Recovery
1405	4	593	27	0·4	10	0·070	1·903	virtually complete
1406	6*	559	27	8·0	217	0·107	2·900	*
1416	4	545	55	10·4	573	0·105	5·752	virtually complete
1426	5	485	27	0·7	20	0·014	0·373	virtually complete

*Due to a very poor core recovery in two intersections only four intersections have been used in averaging.

LESLIE
Gold Mines Limited

Issued capital – 16,000,000 shares of 65 cents each.

Operating results	Quarter ended 30.6.1980	Quarter ended 31.3.1980	9 months ended 30.6.1980
GOLD			
Mined (m²)	70,001	62,719	195,062
Ore milled (t)	315,000	280,000	855,000
Gold produced (kg)	945	868	2,697
Yield (g/t)	3·0	3·1	3·1
Working revenue (R/t milled)	R41·40	R50·94	R43·31
Working costs (R/t milled)	R22·34	R22·20	R22·22
(R/m² mined)	R100·51	R99·17	R97·35
Working income (R/t milled)	R19·06	R28·74	R21·09
Gold price received (R/kg)	13,433	16,270	13,513
($/oz)	544	624	525
Financial results (R'000)			
GOLD – Working revenue	R13,040	R14,264	R37,034
– Working costs	R7,036	R6,216	R18,990
– Working income	R6,004	R8,048	R18,044
Sundry income	R162	R86	R310
	R6,166	R8,134	R18,354
Tribute and royalty payments – net	R20	R4	R24
Income before taxation and State's share of income	R6,146	R8,130	R18,330
Taxation and State's share of income	R3,507	R4,993	R10,805
Income after taxation and State's share of income	R2,639	R3,137	R7,525
Capital expenditure	R2	R18	R37
Dividend declared	—	R4,640	R4,640
Development – Kimberley Reef			
Advanced (m)	1,251	1,370	3,569
Advanced on reef (m)	449	455	1,278
Sampled (m)	439	426	1,224
Channel width (cm)	22	20	20
Average value – gold (g/t)	28·0	34·6	30·9
(cm.g/t)	617	691	617

REMARKS

Capital expenditure
Amounts approved not yet spent total R4,194,000 of which R2,864,000 is subject to approval by the Minister of Mines.

Dividend
Dividend of 29 cents per share was paid on 16th May, 1980.

MARIEVALE
Consolidated Mines Limited

Issued capital – 4,500,000 shares of 25 cents each.

Operating results	Quarter ended 30.6.1980	Quarter ended 31.3.1980	6 months ended 30.6.1980
GOLD			
Mined (m²)	16,021	14,748	30,769
Ore milled (t)	240,000	240,000	480,000
Gold produced (kg)	336	360	696
Yield (g/t)	1·4	1·5	1·5
Working revenue (R/t milled)	R19·41	R24·98	R22·20
Working costs (R/t milled)	R9·64	R8·87	R9·26
(R/m² mined)	R144·44	R144·36	R144·40
Working income (R/t milled)	R9·77	R16·11	R12·94
Gold price received (R/kg)	13,764	16,617	15,240
($/oz)	558	637	599
Financial results (R'000)			
GOLD – Working revenue	R4,659	R5,995	R10,654
– Working costs	R2,314	R2,129	R4,443
– Working income	R2,345	R3,866	R6,211
Sundry income	R29	R67	R96
Income before taxation	R2,374	R3,933	R6,307
Taxation	R1,303	R2,229	R3,532
Income after taxation	R1,071	R1,704	R2,775
Capital recoupments	—	R1	R1
Dividend declared	R2,475	—	R2,475

REMARKS

Dividend
On 13th June, 1980 Dividend No. 80 of 55 cents per share was declared to members registered at 4th July, 1980. Dividend warrants will be posted on or about 14th August, 1980.

ST. HELENA
Gold Mines Limited

Issued capital – 9,625,000 shares of R1 each.

Operating results	Quarter ended 30.6.1980	Quarter ended 31.3.1980	9 months ended 30.6.1980
GOLD			
Mined (m²)	109,964	95,021	315,819
Ore milled (t)	535,000	500,000	1,535,000
Gold produced (kg)	4,173	4,000	12,373
Yield (g/t)	7·8	8·0	8·1
Working revenue (R/t milled)	R107·70	R132·54	R110·70
Working costs (R/t milled)	R27·18	R26·90	R26·53
(R/m² mined)	R132·25	R141·53	R128·98
Working income (R/t milled)	R80·52	R105·64	R84·17
Gold price received (R/kg)	13,720	16,519	13,676
($/oz)	556	633	554
Financial results (R'000)			
GOLD – Working revenue	R57,620	R66,270	R169,929
– Working costs	R14,543	R13,448	R40,733
– Working income	R43,077	R52,822	R129,196
Sundry income	R713	R532	R1,989
Income before taxation and State's share of income	R43,790	R53,354	R131,185
Taxation and State's share of income	R26,960	R32,495	R79,897
Income after taxation and State's share of income	R16,830	R20,859	R51,288
Capital expenditure	R242	R140	R572
Dividend declared	—	R29,356	R29,356

Development	Quarter ended 30.6.1980 Basal Reef	Leader Reef	Quarter ended 31.3.1980 Basal Reef	Leader Reef	9 months ended 30.6.1980 Basal Reef	Leader Reef
Advanced (m)	1,590	174	1,701	178	5,165	610
Advanced on reef (m)	219	99	301	76	889	270
Sampled (m)	216	90	300	67	825	225
Channel width (cm)	79	106	86	163	97	121
Average value – gold (g/t)	12·3	8·0	12·6	4·2	12·5	6·1
(cm.g/t)	975	852	1,209	690	1,209	735

REMARKS

Capital expenditure
Commitments in respect of contracts placed R941,000
Amounts approved in addition to commitments R1,303,000

Dividend
Dividend of 305 cents per share was paid on 16th May, 1980.

UNISEL
Gold Mines Limited

Stated capital – 28,000,000 shares of no par value.

Operating results	Quarter ended 30.6.1980	Quarter ended 31.3.1980	9 months ended 30.6.1980
GOLD			
Mined (m²)	34,771	30,804	92,326
Ore milled (t)	220,000	220,000	634,000
Gold produced (kg)	1,364	1,364	3,928
Yield (g/t)	6·2	6·2	6·2
Working revenue (R/t milled)	R85·56	R106·00	R87·74
Working costs (R/t milled)	R32·90	R32·20	R31·70
(R/m² mined)	R208·16	R229·97	R217·67
Working income (R/t milled)	R52·66	R73·80	R56·04
Gold price received (R/kg)	13,680	17,055	14,094
($/oz)	554	654	548
Financial results (R'000)			
GOLD – Working revenue	R18,824	R23,320	R55,627
– Working costs	R7,238	R7,084	R20,097
– Working income	R11,586	R16,236	R35,530
Sundry expenditure	R1,601	R1,505	R3,934
Income	R9,985	R14,731	R31,596
Capital expenditure	R106	R246	R2,692
Dividend declared	—	R11,200	R11,200

Development	Quarter ended 30.6.1980 Basal Reef	Leader Reef	Quarter ended 31.3.1980 Basal Reef	Leader Reef	9 months ended 30.6.1980 Basal Reef	Leader Reef
Advanced (m)	2,036	22	1,961	7	7,435	29
Advanced on reef (m)	878	3	619	7	2,718	10
Sampled (m)	838	—	699	6	2,595	6
Channel width (cm)	164	—	165	196	160	196
Average value – gold (g/t)	7·6	—	10·8	2·7	9·8	2·7
(cm.g/t)	1,243	—	1,778	537	1,566	537

REMARKS

Capital expenditure
Commitments in respect of contracts placed Nil
Amounts approved in addition to commitments R200,000

Dividend
Dividend of 40 cents per share was paid on 16th May, 1980.

BEISA
Mines Limited

Issued share capital – 3,925,000 in shares of R1 each.
Loan capital advanced to date R76,312,000.

Shafts
No. 1 Shaft has reached a depth of 917 metres and No. 4 level station has been cut.
1,126 metres of development have been completed on No. 1 and 2 Levels from the Ventilation Shaft.
Intersections of water in both No. 1 Shaft and in development have required cement grouting.

General
The geological office complex is complete and good progress has been made on the training centre offices and second and third enclaves in the hostel.
The two mills are being installed and work on the thickeners, the uranium and gold extraction plants, continued.

Capital expenditure
Net expenditure for the quarter on property, shafts, plant and equipment and general expenditure has amounted to R9,678,000 (to date R65,223,000).
Commitments in respect of contracts placed R26,853,000.
Amounts approved in addition to commitments, inclusive of estimated escalation to 31st December, 1980 R103,283,000.
In addition to this, further escalation to be incurred will be approved annually.

NOTES:

Development values quoted above represent actual results of sampling (no allowance having been made for any adjustments which may be or were necessary) when estimating ore reserves at the end of the financial years.

All financial figures are unaudited.

The quarterly reports have been approved and signed on behalf of the respective companies by two directors.

Copies are available from:
London Office
Princes House, 95 Gresham Street, London EC2V 7BS.

16th July, 1980.

NORTH AMERICAN NEWS

Sharp gain at Bankers Trust

BY STEWART FLEMING IN NEW YORK

BANKERS TRUST New York, the eighth largest U.S. Commercial bank, increased its earnings per share by 116 per cent in the second quarter, giving further evidence of the big profit gains that the banks reaped from the abrupt decline in U.S. interest rates in April and May.

The bank said yesterday that net income before securities transactions and excluding a $4.1m gain from the sale of 12 branches totalled $58.6m in the second quarter, $30m more than in the same period of 1979. Earnings per share were $5.05 a share compared with $2.34 a year earlier. After securities transactions profits per share were $5.07 against $2.36, up by 116 per cent.

For the first six months of 1979 the bank's earnings, after securities transactions totalled $96.2m compared with $55.4m in the same period of 1979. The per share total came out at $8.19 against $4.54.

Mr. Alfred Brittain, the chairman, said that the corporation's record earnings performance for the quarter reflected higher net interest income, very strong securities trading results, net revaluation gains on foreign investments and higher levels of commissions and other income.

But he added that results for the second half of 1980 were not expected to continue at levels levels comparable to those achieved in the first half of the year. Per share profits in the second half of 1979 were $4.83.

Gains from the revaluation of foreign investments totalled $3.3m ($203,000 previously) while securities trading profits rose from $8.3m to $35.2m.

The increase in earnings has coincided with management's decision to substantially strengthen the bank's loan loss provisions, which have been increased in the second quarter by $12.5m to $25m compared with provisions made in the second quarter of last year.

Net loan write-offs in the second quarter also doubled from $6.1m to $12.3m.

Other leading bank holding companies to report higher profits included Manufacturers Hanover, owners of the third largest bank in New York City and several smaller up-state banks.

Second quarter net operating earnings increased from last year's corresponding $52.7m or $1.61 a share to $56.1m or $1.69 a share. This brought profits for the half-year to $112.7m or $3.39 a share, compared with $103.8m or $3.17 a share previously.

Mellon National Corporation of Pittsburgh, the holding company of Mellon Bank, reported net operating income before securities transactions and provisions for loan losses of $28.4m or $1.45 a share for the second quarter against $25.3m or $1.29 a year earlier.

Mellon reported net operating income for the first half of $54.5m or $2.78 a share compared with $49.4m or $2.52.

Republic of Texas, which owns Republic National Bank of Dallas, the biggest in Texas, boasted operating net for the second quarter from $18.21m or $1.03 a share to $21.69m or $1.22 a share. At halfway, net profits were $40.56m or $2.28 a share, compared with $35.33m or $1.99

In contrast to the general trend. **Wells Fargo,** whose principal subsidiary is the third largest bank in California and the eleventh largest in the U.S., reported lower second quarter profits. Net operating profits were $26.45m, equal to $1.16 a share, compared with $32.32m or $1.43 for the corresponding period last year. Half-year earnings totalled $56.92m, or $2.49 a share, against $62.32m or $2.76 a share previously.

Wells Fargo said its second quarter and first half earnings declined because its average cost of funds did not drop in step with the decrease in the prime rate. But it added that it expects to benefit from lower fund costs later in the year when many high rate deposits mature.

Asarco boosts Bendix income

By Our New York Staff

DESPITE WORSENING conditions in its two principle markets, Bendix Corporation, the U.S. aerospace and automotive manufacturing group, has reported a net income gain of 17.9 per cent for its third quarter.

Sales advanced by 11.9 per cent, from $1.02bn for last year's third quarter to $1.14bn. Net income reached $54.8m compared with $46.5m last year.

Mr. William Agee, chairman and chief executive officer, said the continued deterioration of the North American car and light truck market and the severely depressed homebuilding market had adversely affected the company's results.

The factors which helped Bendix move ahead in spite of the weak markets, Mr. Agee said, were a dramatic increase in the contribution to the company's results from its investment in Asarco, a U.S. metals group, and another period of excellent performance by its aerospace-electronics business.

Bendix's third quarter results also reflected the inclusion for the first time, of the recently-acquired Warner and Swasey operations.

The chief executive described the third quarter as a difficult period for the economy and the company. "While recently we have witnessed a decline in interest rates," he said, "overall economic conditions remain far too tenuous to predict a near-term recovery in the automotive and housing markets."

Chesebrough maintains growth

BY TERRY BYLAND

CHESEBROUGH-POND'S, which has been rapidly diversifying out of its traditional cosmetics businesses, is well ahead of sales targets at the half-year. The six month period has brought a gain of 18 per cent to $628 in sales, with earnings 20 per cent up at $44.2m, or $1.37 a share.

The pace of improvement was fully held in the second quarter, which recorded a 19 per cent gain in earnings at $20.4m, or 63 cents a share, on sales a similar amount higher at $309.6m.

Results to date are well ahead of forecasts from the investment community of an 11 per cent increase in earnings on the back of an expected 12 per cent to 15 per cent rise in sales. The improvement is likely to come mainly from recent product introductions by Chesebrough, whose interests now range throughout the food and clothing industries as well as its original toiletries and cosmetics operations.

Packaged foods, which include the Ragu line of spaghetti sauces, contribute around one fifth of group earnings, and a further tenth come from children's clothing manufacture at the Health-tex division. About 24 per cent of earnings come from the overseas markets.

Last year, Chesebrough was able to report its 24th successive increase in annual earnings and despite its now heavy overall commitment to the consumer fields which might be regarded as susceptible to recession, further growth in sales and earnings is widely expected.

However, the introduction of several new products has required increased advertisement spending and the high interest costs in the earleir part of the year may have affected progress.

Owens-Corning in the red

BY CARLA RAPOPORT IN NEW YORK

OWENS-CORNING Fiberglas, the leading U.S. manufacturer of glass fibre products, announced it has moved into the red during the second quarter, blaming the significant decline in sales to the housing, automobile, and pleasure boat markets.

The net loss for the quarter was $2.1m against a profit in the same quarter last year of $17.2m. Sales dropped to $495.5m from $525.1m in the second quarter of 1979.

Mr. William Boeschenstein, chief executive officer, said: "The recession continues to depress the company's major markets, with the market for housing, cars, boats, and other durables at their lowest levels in the past decade."

Mr. Boeschenstein said the company had substantially reduced production in the second quarter in order to reduce inventories. In addition, the company has planned to increase productivity in order to meet the seasonal sales rises expected in the third and fourth quarters.

In August, Owens-Corning is to launch a nation-wide advertising campaign to promote the energy-saving benefits of adding insulation in the home.

Sales and earnings of the international affiliates are well ahead of last year. In some international markets, however, the company has noticed some softness similar to that experienced in the U.S.

For the first six months of the year the company's net income was $16.8m, or 55 cents a share, against $49.5m and $1.63 a share for the first six months of 1979.

Record first-half income for Transamerica

SAN FRANCISCO — Transamerica Corporation expects second quarter net income of about $66m or $1.02 a share against $60.5m or 92 cents a share a year earlier, according to Mr. John R. Beckett, chairman and chief executive. Revenue is said to have risen to about $1.1bn from $953.2m

Net income for the first six months of 1980 climbed to a record of some $123m or $1.89 a share from $119.5m or $1.81 a share, on revenue of $2.2bn compared with $1.89bn.

Despite the record first half, Mr. Beckett said it was increasingly difficult to project record results for the full year because of the deepening recession. In January the executive had projected "a respectable increase" from the $240.2m or $3.66 a share of 1979.

Mr. Beckett said he will recommend a dividend increase at the board's September meeting so that stockholders can at least keep pace with inflation. Transamerica currently pays 28 cents a quarter, having raised its dividend every year for the past 18. "Our cash flow is very healthy," said Mr. James R. Harvey, the president and chief operating officer.

Capital spending should rise to about $300m in 1980 from $205.7m in 1979. Most of the increase is attributed to the equipment needs of Transamerica Interway, the company's transportation equipment leasing subsidiary.

Mr. Beckett said the group was "holding up nicely in this recession especially compared with the 1974-75 recession, when net income fell sharply. We got caught with too much flexible-rate borrowing." Mr. Beckett said, a mistake Transamerica has taken pains to avoid.

The company is increasingly relying on fixed-rate debt having sold $50m in debentures earlier this year and is planning a $75m note sales by its finance subsidiary this month.

The only areas to seriously feel the recession are Transamerica's title insurance and transportation-equipment leasing businesses. Title insurance net income in the first half plunged to $350,000 from $5.5m last year. While the chairman believes the real estate market has bottomed out, he said earnings from title insurance would be negligible for the year as a whole. "Its going to be a long slow stagger up," he said.

Transamerica Interway, which was acquired last July was a disappointment in the first half netting only $1.5m compared to $9.1m in the second half of last year—its first half as a Transamerica unit.

Transamerica does not plan any big acquisitions this year, but it is soon to announce a $5m acquisition by Transamerica Delaval, the company's manufacturing subsidiary.

AP-DJ

AMERICAN QUARTERLIES

BOISE CASCADE

	1980 $	1979 $
Second quarter		
Revenue	716.5m	752.5m
Net profits	32.6m	55.9m
Net per share	1.22	2.01
Six months		
Revenue	1.45bn	1.50bn
Net profits	75.7m	88.4m
Net per share	2.84	3.29

BUCYRUS-ERIE

	1980 $	1979 $
Second quarter		
Revenue	129.8m	137.3m
Net profits	13.44m	14.66m
Net per share	0.66	0.72
Six months		
Revenue	273.7m	272.4m
Net profits	28.11m	28.51m
Net per share	1.38	1.40

CHAMPION INTERNATIONAL

	1980 $	1979 $
Second quarter		
Revenue	901.9m	967.2m
Net profits	33.3m	75.9m
Net per share	0.61	1.46
Six months		
Revenue	1.845bn	1.87bn
Net profits	77.2m	143.6m
Net per share	1.42	2.77

CINCINNATI MILACRON

	1980 $	1979 $
Second quarter		
Revenue	202.2m	173.0m
Net profits	35.15m	12.23m
Net per share	2.34	0.82
Six months		
Revenue	387.0m	334.0m
Net profits	47.47m	22.61m
Net per share	3.15	1.51

WALT DISNEY PRODUCTIONS

	1980 $	1979 $
Third quarter		
Revenue	235.4m	211.8m
Net profits	35.89m	30.1m
Net per share	1.10	0.93
Nine months		
Revenue	649.0m	557.2m
Net profits	94.56m	73.85m
Net per share	2.91	2.28

EVANS PRODUCTS

	1980 $	1979 $
Second quarter		
Revenue	386.8m	405.1m
Net profits	13.52m	19.51m
Net per share	1.00	1.47
Six months		
Revenue	713.1m	676.3m
Net profits	14.18m	24.38m
Net per share	0.85	1.77

FEDERAL-MOGUL

	1980 $	1979 $
Second quarter		
Revenue	177.6m	174.9m
Net profits	10.7m	12.8m
Net per share	0.84	1.01
Six months		
Revenue	351.9m	336.6m
Net profits	19.9m	23.5m
Net per share	1.55	1.85

GANNETT

	1980 $	1979 $
Second quarter		
Revenue	308.1m	270.8m
Net profits	40.52m	36.57m
Net per share	1.13	1.02
Six months		
Revenue	581.5m	507.9m
Net profits	67.67m	60.39m
Net per share	1.88	1.70

HECLA MINING

	1980 $	1979 $
Second quarter		
Revenue	12.0m	13.8m
Net profits	3.23m	4.68m
Net per share	0.46	0.67
Six months		
Revenue	46.0m	25.8m
Net profits	19.09m	8.47m
Net per share	2.73	1.21

HERCULES

	1980 $	1979 $
Second quarter		
Revenue	624.0m	583.0m
Net profits	26.9m	40.3m
Net per share	0.62	0.91
Six months		
Revenue	1.27bn	1.14bn
Net profits	60.6m	76.4m
Net per share	1.38	1.73

HILTON HOTELS

	1980 $	1979 $
Second quarter		
Revenue	143.4m	132.4m
Net profits	27.54m	23.22m
Net per share	1.04	0.88
Six months		
Revenue	283.3m	259.7m
Net profits	53.99m	42.82m
Net per share	2.04	1.63

NORTHROP

	1980 $	1979 $
Second quarter		
Revenue	401.1m	413.1m
Net profits	22.7m	25.6m
Net per share	1.59	1.79
Six months		
Revenue	780.7m	820.4m
Net profits	45.6m	49.1m
Net per share	3.20	3.45

PFIZER

	1980 $	1979 $
Second quarter		
Revenue	734.5m	677.5m
Net profits	57.6m	56.1m
Net per share	0.79	0.78
Six months		
Revenue	1.45bn	1.32bn
Net profits	123.0m	114.7m
Net per share	1.68	1.58

POTLATCH CORPORATION

	1980 $	1979 $
Second quarter		
Revenue	187.5m	209.7m
Net profits	10.6m	24.3m
Net per share	0.70	1.60
Six months		
Revenue	387.8m	406.8m
Net profits	21.9m	43.2m
Net per share	1.45	2.85

PPG INDUSTRIES

	1980 $	1979 $
Second quarter		
Revenue	753.7m	784.5m
Net profits	39.7m	57.7m
Net per share	1.21	1.79
Six months		
Revenue	1.55bn	1.51bn
Net profits	94.4m	107.5m
Net per share	2.86	3.35

PUBLIC SERVICE ELEC. & GAS

	1980 $	1979 $
Second quarter		
Revenue	611.1m	517.8m
Net profits	54.06m	49.31m
Net per share	0.60	0.58
Six months		
Revenue	1.37bn	1.18bn
Net profits	114.43m	117.37m
Net per share	1.29	1.46

SCOTT PAPER

	1980 $	1979 $
Second quarter		
Revenue	527.7m	483.5m
Net profits	59.79m	35.32m
Net per share	1.54	0.90
Six months		
Revenue	1.07bn	963.4m
Net profits	94.51m	72.95m
Net per share	2.43	1.67

SIGNAL COMPANIES

	1980 $	1979 $
Second quarter		
Revenue	1.05bn	1.06bn
Net profits	35.5m	54.1m
Net per share	0.92	1.40
Six months		
Revenue	2.12bn	2.09bn
Net profits	77.8m	100.1m
Net per share	2.01	2.59

TEXASGULF

	1980 $	1979 $
Second quarter		
Revenue	240.6m	203.3m
Net profits	59.14m	32.29m
Net per share	1.75	0.96
Six months		
Revenue	520.6m	377.6m
Net profits	175.75m	57.57m
Net per share	5.30	1.69

TRANE COMPANY

	1980 $	1979 $
Second quarter		
Revenue	197.3m	188.2m
Net profits	10.01m	8.95m
Net per share	0.93	0.87
Six months		
Revenue	382.9m	323.6m
Net profits	18.49m	16.42m
Net per share	1.82	1.56

U.S. HOME CORPORATION

	1980 $	1979 $
Second quarter		
Revenue	242.4m	220.2m
Net profits	9.99m	9.45m
Net per share	0.86	0.78
Six months		
Revenue	486.6m	410.6m
Net profits	21.68m	20.07m
Net per share	1.87	1.67

U.S. INDUSTRIES

	1980 $	1979 $
Second quarter		
Revenue	271.9m	321.1m
Net profits	3.24m	14.7m
Net per share	0.10	0.53
Six months		
Revenue	573.3m	653.6m
Net profits	11.6m	27.5m
Net per share	0.41	0.97

UPJOHN

	1980 $	1979 $
Second quarter		
Revenue	444.8m	383.8m
Net profits	45.8m	40.2m
Net per share	1.53	1.36
Six months		
Revenue	876.8m	749.1m
Net profits	95.3m	83.6m
Net per share	3.23	2.81

WHEELABRATOR-FRYE

	1980 $	1979 $
Second quarter		
Revenue	256.6m	237.8m
Net profits	11.9m	10.6m
Net per share	1.06	0.91
Six months		
Revenue	504.9m	456.1m
Net profits	21.8m	19.0m
Net per share	1.94	1.62

Moscow boycott blamed for dip at RCA

By Our New York Staff

RCA, THE communications, broadcasting and entertainment group, has recorded a sharp drop in second quarter earnings, and blames it on the U.S. boycott of the Moscow Olympics and other "unusual" items.

Net income was $77.1m or 80 cents a share, down 10 per cent on last year's $85.6m or $1.13 a share. Sales were up slightly, from $1.84bn to $1.96bn.

Mr. Edgar Griffiths, chairman, pinpointed three factors distorting the second quarter result. First, earnings from the company's NBC TV subsidiary had been hit to the tune of $16.1m because of the curtailment of U.S. TV coverage of the Moscow Olympics due to the boycott. Without that write-off, Mr. Griffiths said, NBC's earnings for the quarter would have been up on last year.

Second, RCA's sale in April of its Random House publishing subsidiary resulted in a $10.8m gain in the second quarter. Third, last year's quarterly results were bumped up by a $23m gain from the sale of RCA Alaska Communications.

Excluding the effects of these items, Mr. Griffiths said RCA's earnings would have been up 32 per cent in this year's second quarter. Earnings from Hertz car rental, RCA's biggest profit centre, were down because of high interest rates and the softness of the used-car market in which Hertz disposes of its used fleet.

Six-month results show profits of $155.8m or $1.69 a share, up from $147.7m or $1.94 a share last year. Sales were $3.93bn, against $3.64bn.

McGraw-Hill moves ahead

By Our New York Staff

McGRAW-HILL, the U.S. publishing group, has boosted its earnings by 9 per cent in the second quarter, largely on the strength of its business information services. Net income reached $17.8m, against $16.35m in the same quarter a year earlier. Sales advanced to $227m from $200.3m last year.

"Operating results from our business information services in the second quarter were particularly impressive, largely offsetting somewhat disappointing performances in certain of our book markets," said Mr. Harold McGraw Jr, chairman.

Quiet day for bond markets

By Francis Ghilès

INTERNATIONAL bond markets were very quiet yesterday for the third day running. In the dollar sector, a half-hearted attempt by dealers to push prices up following Tuesday's rally in New York fizzled out. Most prices finished the day ⅛ of a point up on the day.

Dealers say they can discern no consistent pattern and that they believe most investors have already "gone on holiday." Some recent straight dollar issues are still languishing at very low levels: the 11 per cent bond for United Biscuits to 1990 was trading at 92¾-93¼ yesterday at which level it yields 10.3 per cent.

The $30m convertible for Metropolitan Estates Property Company was increased to $53m yesterday by the lead manager, Kuwait International Investment Company, and Morgan Grenfell, who prived the issue at par. The coupon is 8¼ per cent and the conversion premium 10.27 per cent.

Bank Leumi, of Israel, plans to raise through a subsidiary, $80m on the Eurodollar market later this year. The issue will contain four equal tranches, three being floating rate notes and the other a convertible. The convertible tranche and the first FRN tranche will be offered in August, followed by the second and third FRN tranches in October and November. The FRN's will carry interest at ¼ per cent over six-month Libor except the October tranche which will carry the same margin but over three-month Libor.

I nthe Deutsche Mark foreign bond sector, prices of seasoned issues were unchanged on the day. Westdeutsche Landesbank put off an issue which it was planning to do for a European address. Deutsche Bank, which has two slots in the new issue calendar before the weekend, is expected to bring only one issue to the market by then—a DM 100m bond for an EEC industrial name. Since the last capital sub-committee meeting on June 23, DM 1.37bn worth of new D-Mark foreign bonds have been announced.

The European Investment Bank is making a private placement on the Luxembourg franc market of LuxFr 250m. The coupon is fixed at 11¼ per cent and the bonds are priced at par. The eight year maturity includes a sinking fund to give an average life of six years. Banque Internationale a Luxembour is the lead manager.

Fourth consecutive loss from American Airlines

BY DAVID LASCELLES IN NEW YORK

AMERICAN AIRLINES, the second largest domestic U.S. carrier, yesterday reported its fourth consecutive quarterly loss, with the deficit attributable to cost pressures and a weak market.

The loss was $34.8m, or $1.32 a share, from revenues of $901.3m. This was well down on the profit of $95.3m, or $3.22 a share, in the same quarter last year, but a slight improvement on the loss of $42m in the first quarter of this year.

The airline has now recorded a loss of $76.7m in the first half of this year compared with a profit of $88.4m in the same period of 1979. But last year's figure reflected the big gains resulting from the long strike against its main competitor, United. Apart from that quarter, American has not turned in a profit since the final three months of 1978.

The latest loss was attributed by American to sharply higher fuel costs. Airline passenger traffic has also fallen off sharply this year, and airlines have been forced to pare fares to attract business.

American said it had been able to offset promotional discounts through higher fares, thus raising revenue 4.6 per cent, but that the load factor had fallen 13.8 points to 62.9 per cent.

American said fuel costs rose $104.4m, or 59.7 per cent, to $279.1m in the period. For the half year fuel costs increased 72.6 per cent to $546.8m.

It said operating expenses for the quarter totalled $946.6m, up from $795.5m a year earlier. For the first half operating expenses were $1.87bn, up from $1.5bn

American also announced yesterday that Mr. Robert Crandall, its senior vice-president for marketing, had been appointed president and chief executive officer, taking over those responsibilities from Mr. Albert Casey, the chairman.

Continental Group sees recovery for full year

BY OUR FINANCIAL STAFF

EARNINGS FOR fiscal 1980 of Continental Group, the metal can and packaging company, are expected to "compare favourably" with last year's, despite a fall of 29 per cent in profits in the second quarter. The first six months of the year now show earnings 5.5 per cent up at $95m or $2.53 a share, on sales 6 per cent higher at $2.28bn. In 1979 Continental earned $189.2m or $5.27 a share for the full year.

In the second quarter, sales held steady at $1.11bn, but earnings fell from $53.4m or $1.53 a share to $37.8m or 97 cents.

The company said economic conditions in the U.S. and the weakening of the dollar abroad were responsible for the second-quarter earnings decline.

Higher interest rates, coupled with increased borrowings principally to finance the acquisition of Continental Resources, increased interest expense in the quarter to $24.6m from $15.3m in the comparable quarter.

The group said some activities have been particularly affected by the economic slowdown including metal cans in the U.S., automotive parts, building products and title insurance.

However, these negative factors were offset somewhat by gains in European packaging operations, plastic beverage bottles, bleached paperboard and by its Continental Resources subsidiary, the company said.

Analysts on Wall Street have previously forecast Continental's earnings for this year will exceed the 1979 total. Profitability should benefit from inclusion of Florida Gas, the oil and gas exploration company acquired in August last year for around $351m.

Republic Steel shows sharp earnings drop

By Our New York Staff

SECOND-QUARTER earnings plummeted by 79 per cent at Republic Steel, the fifth largest U.S. steel producer. Because of low demand and the high level of imports the company expects the slide to continue into the third quarter.

Republic reported second quarter earnings of $8.84m as opposed to $42.2m for the corresponding period last year. Sales dropped to $893.8m against $1bn

The company's shipments of 1.46m tons in the second quarter were down 22.6 per cent from the 1.88m tons shipped in the same quarter last year.

Mr. W. J. de Lancey, the chairman and chief executive, said "low customer demand, inventory liquidation and the high level of steel imports will combine to constrain third quarter industry shipments to one of the lowest levels we have seen in many years."

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on July 16

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	60	92⅞	93⅜	0	−0⅝	11.28
Brit. Oxygen F. 10¾ 90	50	94	94½	0	−1	11.76
CECA Grad. Rate 12 86	100	98⅛	99	+0⅛	−0⅞	11.53
CECA 11⅛ 90	50	99	99½	0	−0⅝	11.73
CECA 11½ 88	100	99⅞	100⅛	0	−0⅝	11.46
Citicorp O/S Fin. 10 86	300	95⅜	96⅜	+0⅛	−1½	11.07
Con. Illinois O/S 9¾ 86	150	94	94½	0	−1⅜	11.12
Denmark 11¾ 90	100	98⅞	99⅜	−0⅛	−1⅛	11.89
Dome Petroleum 13½ 92	50	102⅞	103⅜	+0⅛	−1⅛	12.97
EEC 11 95	75	95½	96	0	−0⅛	11.60
EIB 11¾ 92	80	97⅝	98⅛	+0⅛	−1⅝	12.07
EIB 13¾ 90	100	106⅛	106⅝	+0½	−0⅜	12.54
Eksportfinans 11¼ 87	50	99⅛	99⅝	+0⅛	−1⅛	11.33
Eksportfinans 9½ 87	75	92⅞	93⅜	−0⅛	−2⅛	11.01
Elec. de France 10 88	125	95½	96	−0½	−1⅛	10.82
Export Dv. Cpn. 9¾ 84	150	96⅛	96⅝	+0⅛	−0⅛	10.83
Export Dv. Cpn. 12¾ 87	100	106⅛	106⅞	+0⅛	−0⅝	11.29
Export Dev. Cpn. 9½ 86	150	95⅜	96⅛	−0⅛	−1	10.46
Federal Dev. Bk. 12¼ 85	75	103	103½	+0⅛	−1⅛	11.31
Fin. Exp. Credit 10⅞ 85	50	97⅜	98⅛	+0⅛	−1	11.04
Finland, Rep. of 9½ 86	100	91⅞	92⅜	−0⅛	−1½	11.44
Ford O/S Fin. 12⅝ 85	250	99⅞	100	+0⅛	−0⅞	12.67
George Weston 13½ 87	30	102⅛	102⅝	−0½	−0⅛	12.91
GMAC O/S Fin. 11 84	100	99⅜	99⅞	+0⅛	−0⅛	11.07
GMAC O/S Fin. 13⅝ 85	100	105⅛	105⅝	+0⅛	−0⅞	11.78
Goodyear O/S 12½ 87	75	98⅞	99⅛	0	−0⅛	12.74
Hudson's Bay 11½ 90	75	98⅛	98⅝	+0⅛	−0⅝	11.78
IBM Canada 10⅜ 85	50	99⅝	100⅛	+0⅛	−0½	10.49
CI Fin Ned. 11 83	100	100⅜	100⅞	+0⅛	−0⅛	10.71
McGraw 13½ 85	75	102⅛	102⅞	0	−0⅛	12.73
Norwest Ind. 13⅝ 87	50	101	101½	+0⅛	−0⅝	13.30
Nova Scotia 10¾ 90	50	94⅞	95⅛	+0⅛	−0⅛	11.60
Pembroke Capital 9⅝ 87	100	94⅛	94⅝	−0⅛	−1	10.78
Pemex 11½ 88	100	97⅝	98⅛	−0⅛	−0⅞	11.82
Quebec. Hydro 11⅛ 92	100	97⅜	97⅞	0	−0⅛	11.89
Roylease Ltd. 11¾ 85	50	100	100½	+0⅛	−1	11.17
SNCF 12⅛ 85	60	104½	105	+0⅛	−0⅛	11.03
Swed. Ex. Cred. 12½ 85	40	102½	103	+0⅛	−0⅝	11.69
Sweden 9¾ 84	100	96⅛	96⅝	−0⅛	−1⅛	10.88
UB Finance BV 11 90	50	93⅛	93⅝	−0⅛	−0⅛	12.18
World Bank 9¾ 85	200	96⅝	97⅛	0	−1⅛	10.59
World Bank 10¼ 87	300	97⅛	97⅝	+0⅛	−1¼	10.80

Average price changes... On day +0⅛ on week −1

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Akzo 9 90	125	102⅞	103⅜	+0⅛	+0⅛	8.53
Australia 8⅛ 90	250	102⅝	103	−0⅛	+0⅜	7.72
BFCE 7¾ 87	100	99	99½	0	−0⅛	7.86
BFCE 8⅛ 95	100	99⅜	100⅛	0	0	8.15
Brazil 8 87	150	92½	93¼	+0⅜	−1⅛	9.43
Council of Eur. 7⅞ 89	100	94⅞	95⅜	+0⅛	0	8.02
Denmark 7⅞ 86	100	98⅞	99⅛	+0⅜	+0⅛	8.18
Denmark 8¼ 92	100	99	100	+0⅛	+0⅛	8.31
EEC 7⅞ 94	225	98⅜	99⅛	0	+0⅛	8.02
EIB 7½ 89	200	96⅝	97½	0	+0⅜	7.96
Finland Rep. of 8 86	150	98⅞	99⅜	0	0	8.14
Kobe, City of 7⅛ 89	150	95⅛	95⅞	0	0	7.82
Kobe, City of 8 90	100	100⅛	101	+0⅛	+0⅛	7.91
Mt Bk. Denmark 8½ 90	150	99⅜	100½	+0⅛	+0⅛	8.48
Norway 7½ 85	250	99⅜	100	−0⅛	−0⅛	7.58
OKB 7⅜ 89	100	96⅝	97⅛	+0½	+0⅛	7.88
OKB 8¼ 92	150	100⅜	100⅞	+0⅛	0	8.18
Oslo, City of 8¾ 90	80	102⅞	103	−0⅛	+0⅛	8.33
Sweden 9¾ 87	200	107⅛	107⅞	0	+0⅜	8.23
World Bank 7¾ 91	400	97½	98⅛	+0⅛	+0⅛	8.05
World Bank 7⅞ 90	250	98⅜	99⅛	0	0	8.06
World Bank 10 86	150	108⅜	109⅛	+0⅛	+0⅜	8.04
World Bank 10 90	200	111½	112⅛	−0⅛	+0⅛	8.18

Average price changes... On day 0 on week +0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5¾ 89	80	93⅞	94½	+0⅛	−0⅛	6.38
Bergen, City of 4¾ 91	40	95½	96	+0½	0	5.27
Bergen, City of 6 90	50	103⅝	104⅛	0	0	5.48
BNDE 5 89	75	85½	86	−0½	−0⅝	7.20
BMW Overseas 4¾ 91	100	93⅛	93⅝	+0⅛	+1	5.02
Buhrm'n-Tetterode 7 90	40	105⅝	105⅞	+0⅛	+0⅛	6.21
Caisse Nat. Tels. 4¾ 89	100	94½	95	0	−0½	5.11
Copenhagen 4½ 91	60	†91	91½	0	−0⅛	5.57
Council of Eur. 5 89	100	95	95½	−0⅛	+0½	5.66
Denmark 5¾ 90	80	100	100½	0	0	5.72
EIB 4½ 91	100	92⅝	93⅛	+0⅛	+0⅞	5.38
EIB 4½ 94	100	88⅛	88⅝	+0⅛	+0⅛	5.57
Elet. de France 4¾ 89	100	†94½	95	−0⅛	−0½	5.11
F. G. H. Hypo. Bk. 6 90	50	*†104	104½	−0½	−0½	5.43
GZB 4¾ 89	100	91¾	92¼	−0⅛	−0⅛	5.36
Hilti 4½ 91	35	*†94½	95	0	0	4.86
Int.-Amer. Dev. 4½ 89	100	†92	92½	−0⅛	0	5.61
Int.-Amer. Dev. 7 90	80	106½	107	0	−0⅛	6.05
Jutland Tele. 5½ 90	50	†100⅛	100⅝	0	−0⅛	5.43
Malaysia 5 89	80	89	89½	0	0	6.59
Newag 5¾ 90	80	102	102½	0	−0⅛	5.46
Nippon Tel. & T. 4¼ 89	100	†94	95	+0⅛	0	5.01
Nordic Bank 5 89	45	98	98½	+0⅛	+0⅛	5.25
Norges. Komm. 4⅜ 91	100	†92⅝	92⅞	+0⅛	−1⅛	5.27
OKB 4⅜ 91	100	92⅜	92⅞	0	+1⅛	5.29
OKB 6 90	100	103½	104	+0⅛	−0⅛	5.49
Oslo, City of 4¾ 91	100	†90	90½	−0½	−0½	5.56
Sekisui Pre. Hms. 6 90	80	102⅞	103⅜	+0⅛	+0⅛	5.58
Shikoku El. Pwr. 4¾ 89	100	96⅛	97	+1⅛	+0⅛	5.22
World Bank 4⅝ 89	100	96⅛	96⅝	+0⅛	+0⅛	5.12
World Bank 4½ 89	150	92	92½	−0⅛	−0⅛	5.47
World Bank 4⅝ 91	100	93	93½	0	−0⅛	5.44

Average price changes... On day 0 on week 0

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	92⅞	93⅛	0	+0⅜	8.30
Australia 6½ 88	20	87⅝	88⅝	0	+0⅛	8.89
EIB 7⅜ 89	12	95⅛	96⅛	+0⅛	−1⅛	8.41
Finland 5.6 83	10	90⅞	91⅞	0	−0⅛	8.73
Finland 6.8 88	10	88⅜	89⅛	0	−0⅛	8.92
Finland, Rep. of 8⅛ 87	15	96⅞	97⅛	−0⅛	−0⅞	8.82

Average price changes .. On day 0 on week −0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 10⅜ 86 C$	60	85⅞	86	+0⅛	−0⅛	11.73
CIBC 13½ 85 C$	50	103⅜	104⅛	0	−0⅞	12.32
CIBC 11½ 85 C$	60	98⅛	98⅝	+0⅛	0	11.95
Federal Dev. 11⅞ 90 C$	60	96⅞	97⅛	−0½	−0⅛	12.01
Fst. Can. Inv. 10 84 C$	50	93⅝	94⅛	+0⅛	−0⅛	11.97
GMAC 12 85 C$	50	†98⅞	99⅜	0	−0⅛	12.27
R. Bk. Canada 10 86 C$	40	94⅝	95⅛	0	0	11.22
Tordom Cpn. 13⅜ 85 C$	30	103⅛	104	0	−0⅛	12.35
M. Bk. Dnmk. 9 91 EUA	25	93⅞	94⅞	−0⅛	−0⅛	9.85
SOFTE 8¾ 89 EUA	40	87⅝	88⅝	+0⅛	+0⅛	10.44
U. Bk. Nrwy. 9¼ 90 EUA	18	97⅝	98⅛	0	−0⅛	9.77
Algemene Bk. 8¼ 84 Fl	75	96⅝	96⅞	0	+0⅛	9.29
Algemene Bk. 10⅛ 87 Fl	400	100⅛	100⅞	+0⅛	+0⅛	10.12
Ned. Gasunie 8¾ 84 Fl	50	100⅛	100⅝	−0⅛	+0⅛	8.59
Ned. Middbk. 8¾ 84 Fl	75	96⅞	97	0	+0⅛	9.30
Norway 8¼ 84 Fl	100	96⅝	97⅛	0	+0⅛	9.16
Philips Lamps 8⅛ 84 Fl	75	96⅝	97⅛	+0⅛	0	9.26
Air France 11 84 FFr	120	95⅛	96⅝	0	+0⅛	12.22
CECA 14⅛ 86 FFr	150	105⅞	106⅜	−0⅛	0	12.51
Euratom 9⅝ 87 FFr	150	85⅝	86⅛	0	+0⅛	12.93
Finland 11 84 FFr	60	90⅞	95⅛	−0⅛	0	12.56
Finland 11½ 89 FFr	70	93	93⅝	−0⅛	0	12.73
Gaz de France 11 84 FFr	150	94⅛	95⅛	−0⅛	−0⅛	12.62
IBM France 11⅛ 84 FFr	120	97½	98⅛	−0⅛	+0⅛	12.47
Renault 9¾ 85 FFr	100	86⅞	87⅝	−0⅛	+0⅛	13.46
Saint-Gobain 9¾ 86 FFr	130	85⅞	86⅝	0	−0⅛	13.28
Solvey et Cie 9¾ 87 FFr	125	84½	85⅛	−0⅛	−0⅛	13.25
Beneficial Fin. 14¼ 90 £	20	101⅛	101⅞	+0⅛	+0⅛	13.91
Citicorp O/S 13½ 90 £	50	100⅛	100⅞	+0⅛	+0⅛	13.38
EIB 11½ 91 £	25	85⅜	85⅞	+1⅛	+1⅛	12.26
Fin. for Ind. 12½ 89 £	30	97⅜	97⅞	+0½	+1⅞	12.98
Fin. for Ind. 14½ 88 £	20	103⅛	104⅛	+0½	+0⅛	13.81
Gen. Elec. Co. 12½ 89 £	50	98⅛	99⅛	+0⅛	+1	12.66
Swed. Ex. Cr. 15⅛ 85 £	20	104⅛	105⅛	+0⅛	+0⅛	13.66
Banobras 8¾ 90 KD	7	†94⅞	95⅛	0	0	9.01
CCCE 8¾ 91 KD	10	†92⅞	93⅜	0	0	9.15
Mitsubishi 7¾ 84 KD	10	†94⅛	94⅞	0	+2	9.15
Sonatrach 8½ 90 KD	12	†94⅛	94⅞	0	0	9.37
Akzo 9¾ 87 LuxFr.	500	94⅞	95⅛	+0⅛	−0⅛	10.16
Euratom 8 87 LuxFr.	500	89⅞	90⅛	+0⅛	0	10.11
Euratom 9¾ 88 LuxFr	500	98⅛	99⅛	0	0	9.97
EIB 9¾ 88 LuxFr	600	97⅛	98⅛	−0⅛	+0⅛	10.06
Volvo 9⅞ 87 LuxFr	500	96⅛	97⅛	−0⅛	−0⅛	10.41

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bk. 5⅛ 87	0⅛	98	98½	2/1	10.44	10.62
Bank of Ireland 5½ 89	‡0⅛	98	98½	21/8	11.81	12.02
Bank of Tokyo 5¾ 89	0⅛	97⅛	97⅝	25/10	16.56	16.88
Barclays O/S Inv. 5 90	0⅛	97⅛	98	13/12	9⅝	9.85
Bergen Bk. A/S 6 89	‡0⅛	97	97½	29/8	10	10.28
Bilbao Int. NV 5¾ 90	0⅛	96⅞	97⅜	29/10	10.06	10.35
Bque. Indo Suez 5¾ 89	0⅛	98⅛	98⅝	11/1	9⅝	9.77
Citicorp O/S F. 83	§‡0	98⅞	99⅜	23/8	10.19	10.28
Citicorp O/S F. 84	‡0	98⅛	98⅝	30/7	9.69	9.84
C. Itoh 5⅛ 87	0⅛	99½	100	18/9	19.44	19.49
Co-operative Bk. 6 86	0⅛	98⅛	98⅝	15/11	11.44	11.63
Creditanstalt 5½ 91	§‡0⅛	97	97½	14/9	9.44	9.70
CNT 5⅛ 86	§0⅛	100⅞	101⅛	16/10	18⅛	17.95
GZB 5½ 89	‡0⅛	98⅛	98⅝	1/8	15⅝	15.80
Jugobanka 8 89	0⅛	90⅞	92⅛	23/11	11⅝	12.74
Ind. Bank Japan 5⅛ 87	0⅛	100	100½	15/10	18⅛	18.70
Lloyds Eurofin 8 90 £	0⅛	97⅛	97⅝	3/1	15⅝	16.15
LTCB Japan 5⅛ 86	0⅛	98⅛	98⅝	13/12	9⅝	9.78
LTCB Japan 5½ 89	0⅛	98⅞	99⅛	7/12	10⅛	10.29
Mfrs. Han. O/S 5⅛ 94	‡0⅛	97⅛	97⅝	31/8	9⅝	10.13
Midland Intl. Fin. 5 89	0⅛	99	99½	20/12	9⅝	9.57
Midland Intl. Fin. 5⅛ 92	0⅛	93⅞	98⅛	5/12	10⅛	11.03
Nacional Fin. 6⅛ 88	0⅛	97⅛	98⅛	25/7	14.69	14.97
Nat. West. 5⅛ 94	§0⅛	99⅛	100⅛	11/10	18⅛	18.83
Nippon Credit 5⅛ 86	0⅛	97⅛	97⅝	12/1	9.56	9.81
Nippon Credit 5¾ 87	‡0⅛	97⅞	98⅛	5/8	14⅛	14.65
Royal Bk. Scot. 5¾ 94	§‡0⅛	98⅞	99⅛	11/10	9.31	9.47
Soc. C. de Bque. 5½ 87	0⅛	100⅛	100⅝	3/10	20.06	19.99
Sogenal 5⅛ 89	§0⅛	97⅛	98⅛	13/1	9⅝	9.83
Standard Chart. 5⅛ 90	0⅛	100⅛	100⅝	6/9	17⅛	17.14
Sweden 8⅛ 91	‡0⅛	96⅞	97⅛	18/10	18⅛	19.23
Williams & Glyn 5⅛ 91	0⅛	100	100½	14/9	18⅛	18.45
Bq. E. d'Alg. 4⅛ 89 SF	0⅛	†91	92	18/12	8⅛	8.89

Average price changes... on day +0⅛ on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Aktbolag 7⅞ 89	10/79	145	†119	120	0	−8.35
Ajinomoto 7⅛ 95	2/80	615.5	113	114	−0⅛	−1.99
Alco Int. Fin. 9⅛ 94	1/80	40	93⅞	94⅞	0	28.04
Apache I. Fin. 8⅛ 95	12/80	21.12	116⅛	117⅛	+0⅛	−1.75
Asahi Optical 7 94	11/79	526.1	97⅛	98⅛	+0⅛	−1.94
Blocker Energy 8⅛ 95	1/81	21.87	98⅞	99⅛	−0⅛	14.12
Canon 6⅞ 94	8/79	570	108⅛	109⅛	−0⅛	0.67
Credit Suisse 4⅛ 93	10/79	1278	103⅛	105⅛	0	−2.58
Daiei Inc. 5½ 94	11/79	927.3	97⅛	98⅛	+0⅛	18.00
DDKK 11 90	4/80	324	110⅛	111⅛	−0⅛	11.59
Dynelectron 9½ 85	8/80	12.22	108½	109⅛	−5⅛	0.64
Ensearch Fin. 9½ 94	7/80	30.25	124⅛	125⅛	+3⅛	1.69
Meidensha Elec. 7 94	12/79	210	103⅛	105	0	8.72
Mitsubishi Cp. 6⅛ 94	10/79	549.1	122⅛	123⅛	+0⅛	4.26
Nippon Seiko 7⅛ 94	12/79	339	†111⅛	112⅛	−0⅛	−2.36
Toshiba Cpn. 7⅛ 94	10/79	198	101⅛	102⅛	−0⅛	4.43
Union Bk. Switz. 5 89	2/80	121.4	96⅛	98⅛	−0⅛	4.16
Fujitsu 5 84 DM	7/79	475	100⅛	101⅛	−0⅛	4.65
Kansai Elec. 4 84 DM	4/79	1210	87⅛	88⅛	0	35.47
Sharp Cpn. 5½ 88 DM	9/80	595	101	101⅛	−0⅛	12.03
Uny Co. 6⅛ 85 DM	11/79	1071	97⅛	98⅛	+0⅛	25.82

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

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FOREIGN BANKS IN GERMANY

Midland decides to dive in against the tide

BY NICHOLAS COLCHESTER AND KEVIN DONE

ALTHOUGH dwarfed in size by the decision to buy a large stake in Crocker National Bank in California, the Midland Bank's *simultaneous move* to buy 60 per cent of the German private bank, Trikaus and Burkhardt, is a sizeable deal in its own right. For between £40m ($95m) and £50m ($118.5m) Midland is doing the German equivalent of buying one of the City of London's larger merchant banks.

Germany is virgin territory for Midland and tough too. The other clearing banks have branches there already and two of them also have participations in small banks. Feeling that Germany is a market it has to penetrate in its belated campaign to spread itself abroad, Midland has toyed with branch banking. But, observing its rivals, it has found it hard to work up much enthusiasm.

"I just don't believe that *foreign bank branches* are profitable in Germany," says Mr. Bruce Smith, one of Midland's general managers. "It's so very difficult to get at German corporate customers."

Trinkaus has a number of advantages as an alternative. It is one of the largest German private banks with a balance sheet total of DM 3.26bn and it has long established contacts with major West German companies. It is also well placed in the German securities and investment management business. The former is particularly difficult for the newcomer to penetrate because both government and companies raise capital via fixed banking syndicates whose slice of the action is jealously guarded.

Regional bias

Its disadvantages for Midland are that it has a regional bias towards the Ruhr within Germany, and that it must perforce remain an independent entity within the Midland Group for some time.

It is at least partly because Trinkaus has a proud and independent identity that Citibank felt inclined to sell its controlling *holding to Midland*. Citibank acquired a 15 per cent stake in the bank shortly after Trinkhaus of Dusseldorf and Burkhardt of Essen merged in 1972. The deal was initially designed to give Trinkaus a window on international banking.

But the middle seventies, in the aftermath of the Herstatt crisis, were tough times for small German banks and Trinkaus was anyway recovering from a disastrous involvement in the Baukreditbank which collapsed in 1973. Citibank provided additional capital and raised its stakes in Trinkaus to 51 per cent.

The lasting benefit to Citibank of this increasing involvement was that it acquired from Trinkaus control of Kundenkreditbank, a well established German consumer finance operation. But the rest of Trinkaus lay rather uneasily alongside Citibank AG, through whose six German offices Citibank had painstakingly built up a corporate banking business in its own right. Citibank will continue to own Kundenkreditbank when it has passed Trinkaus on to Midland.

Although there is more logic in investment in Trinkaus for Midland than for Citibank the British bank has made its move at a moment when most foreign institutions in Germany are starting to ask—at least in private—how best they can trim back their operations or, indeed, whether they should stay at all in a banking market which provides so many problems for such small returns.

Steady stream

Ever since the late 1950s foreign banks have been steadily streaming into West Germany, either setting up their own branches o taking over small German institutions. By the end of 1979 a total of 56 foreign banks had set up branches in the Federal Republic, compared with only 15 in 1957. In addition there are at least 15 German banks, where a majority stake is in the hands of foreign institutions.

This surge of activity—*led in* the 1950s by the big U.S. banks and followed more recently by most major banks in Western Europe, Japan and elsewhere—has hardly brought joy to their foreign owners. "It's a damned hard market," one leading U.S. banker said here yesterday. "Most banks are looking around to see how they can cut their costs."

The Toronto Dominion Bank of Canada chose last year to cut its branch down to only a representative office in Frankfurt. There are rumours that some other North American banks could soon follow this pattern and even the big U.S. banks have started to centralise their operations in Frankfurt.

Morgan Guaranty closed its branch in Munich three weeks ago as part of a rationalisation of its German operations. In addition to its Frankfurt head office it still maintains a branch in Düsseldorf with a team of six bankers, but the book-keeping has been brought back to Frankfurt.

Citibank has also centralised its operations in Frankfurt, although it has left marketing and *contacts with major* corporate clients to be dealt with through its other five branch offices in Hamburg, Düsseldorf, Munich and Berlin.

According to Herr Wilfried Scheele, a member of the Board of Citibank's German subsidiary: "Many banks are thinking 'What can we do with our German activities?' For many it is a matter of prestige to be represented in one of the world's biggest trading countries. But for that privilege many must accept very small returns."

Difficult access

The foreign banks face the problem that they are competing in the hardest parts of the market and do not have access to the long-term funds represented by savings accounts or their own bond issues. In addition they find it very difficult to get access to the issuing consortia of big German companies, which are dominated by the home banks.

Despite the lack of returns most foreign banks would find it impossible to give up their *presence in Germany* and there are still some major international banks—Credit Agricole of France, for instance—that must consider themselves under-represented in the Federal Republic.

Continental-Gummi plans dividend after eight-year lapse

BY OUR FINANCIAL STAFF

CONTINENTAL Gummiwerke, West Germany's largest tyre group, hopes shortly to make some recompense to shareholders for a lack of dividends over the past eight years.

At yesterday's annual meeting in Hanover, Herr Alfred Herrhausen, supervisory board chairman, said that he had well-founded optimism for expecting a dividend to be paid from the results for the current year, 1980.

Earnings this year have continued to improve following a sharp recovery in 1979. Sales for the first six months of 1980 had risen by 10 per cent and profits had also shown gains, the meeting was told.

Last year Conti-Gummi's recovery led to an advance in earnings from DM 3.8m to DM 10.9m ($6.2m). Including the recently acquired European tyre division of Uniroyal of the U.S., group profits for 1979 were DM 23.1m on sales of DM 2.62bn.

Conti-Gummi's plans for a return to dividends for this year—shareholders last received a payment in 1971—coincide with a period of intense acquisition activity.

Last year's purchase of the European operations of Uniroyal cost $42m. The deal added tyre plants in Germany, France, Belgium and the UK to the Conti-Gummi network.

A further attempt to boost market shares was undertaken earlier this year when Conti-Gummi acquired a controlling interest in the French tyre maker, Kleber Colombes. It paid around FFr 97m to Michelin and interests close to the major French tyre group in return for nearly two-thirds of the Kleber capital.

Both Kleber and Conti-Gummi have been involved in the reorganisation of the European tyre industry in recent years. The French market, Conti-Gummi said yesterday, was the second largest and the fastest growing in Europe.

Conti-Gummi explained that during the first half of 1980 it had been able partly to offset the downturn in demand from the motor industry. The control of Kleber would lessen further the German company's dependence on the car trade.

However, the "strengthened" market position in tyres that was resulting from recent acquisitions would be used fully "as a weapon in intensifying competition against American and Japanese rivals."

Bonde Nielsen offers to give up Burmeister posts

BY HILARY BARNES IN COPENHAGEN

THE MAIN shareholder and managing director of the troubled Danish shipbuilding and engineering group, Burmeister and Wain, yesterday offered to dissociate himself entirely from the group as a condition for obtaining a Government export credit guarantee for the Copenhagen shipyard.

Mr. Jan Bonde Nielsen has asked three insurance companies to take over his voting rights in Gredana, the company which *holds his shares in B and W*, and in his personal holding company, Egetofte, which holds his share majority in Gredana.

At the same time, he said he would resign all his posts in these companies and B and W, though he offered to make his services available to B and W if the board so wished.

B and W has put forward a scheme to establish a new company to run the shipyard, which would have a capital of about DKr 112m ($20m) and total assets of about DKr 235m.

The yard has on order five bulk carriers and letters of intent for another two, although the management fears that the Government's tardiness over the guarantee will lose it the two latter orders. If the Government refuses the credit guarantee, it is now regarded as a near certainty that the shipyard will have to close forthwith.

In November Mr. Bonde Neilsen was the subject of an in*vestigative charge of* fraud concerning transactions in a company founded by him in the 1960s.

Burmeister has been trying to negotiate an export credit guarantee from the Danish Government for some time. The company's search for solutions to its cash-flow difficulties met with some success earlier this month when the West German steel group, Thyssen, provided Burmeister with a two-year grace period on the repayment of debts totalling DKr 70m.

Expansion by Phillips Petroleum

By Sue Cameron

THE U.S.-based Phillips Petroleum is to invest $70m in a major expansion of its European plastics interests.

A 60,000 tonnes a year high density polyethylene (HDPE) plant is to be built at Tarragona in Spain by Calatrava, a company in which Phillips has a 50 per cent interest.

Another HDPE plant, at Antwerp in Belgium, in which Phillips also has a 50 per cent interest, is to be modernised to increase its annual production capacity to 150,000 tonnes.

Agusta sales move

Societa Costruzioni Aeronautiche Giovanni Agusta, the Italian helicopter company, has set up a subsidiary, Agusta Aviation Corporation, in Wilmington, Delaware, to expand marketing of its Agusta 109A twin turbine civil helicopter, Reuter reports from Gallarate, Italy.

Profits setback for SNECMA

BY TERRY DODSWORTH IN PARIS

SNECMA, the French state-owned aero-engine company, registered a big increase in orders last year, but suffered a significant fall in pre-tax profits from FFr 105m to FFr 89.3m ($22.3m).

The figures indicate that the company suffered a decline in margins while maintaining volume sales at around the same level as last year. Turnover rose by 12 per cent, only a little more than the rate of French inflation, to almost FFr 3bn.

The company is hoping that its performance will begin to improve again in the early 1980s as it begins to benefit from its policy of developing new products for the civil airline industry, notably in conjunction with General Electric of the U.S.

One of the factors in the stagnation of sales last year was a levelling off in orders from the French Government for military equipment. This combined with a slight fall in exports to undermine the results, but *SNECMA believes that* export orders will now begin to improve.

The basis of the company's confidence is a 51 per cent increase in orders compared with the same period in 1978 *to a total of FFr 4.7bn. A con*siderable proportion of these new contracts has come through the group's collaboration with General Electric on the new CFM 56 engine of eight to 10 tonnes thrust, a unit which several airlines want to re-equip their *long-range Douglas DC 8s.*

There are also hopes that the CFM 56 will win an order from the U.S. Air Force, but SNECMA's overall objective is to move to a better balance between civil and military markets in its export sales. At present, its Atar Larzac military units generate the main part of its overseas turnover, with civil sales accounting for only about 4 per cent of the total. SNECMA is aiming to lift the civil component to about 40 per cent within the next five years.

L80bn ENI refinery project

ROME—Italy's state energy group, ENI, is to invest L80bn ($96m) to upgrade the Taranto refinery of its Industria Italiana Petroli (IP) unit through contracts recently awarded to Snam Progetti, another ENI unit.

The contracts provide for the refinery to upgrade its product lines and to produce de-sulphurised gasoil and petrol. The plans include construction of a 45,000-barrel-a-day "cracking" facility, the largest in Italy, as well as construction of a hydrogen plant and a de-sulphurisation plant. The latter will be able totally to recoup the sulphur extracted from the refined products.

The project is expected to be completed within 26 months.

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Sanyo increases forecast

BY OUR FINANCIAL STAFF

SANYO ELECTRIC COMPANY, the Japanese integrated manufacturer of electric appliances, has raised its forecast of net profits for the current financial year, to November 30, following an increase of 57.7 per cent to Y10.20bn ($47m) in the first half of the year on sales up 21.1 per cent to Y329bn ($1.5bn).

The company now forecasts after-tax profits of about Y21bn against an original figure of Y20bn. The sales forecast has been revised upwards to Y685bn from Y670bn. This compares with an after-tax profit of Y15.13bn reported for the past business year ended last November 30, on sales of Y584.06bn.

The upward revisions follow a larger than expected export rise in the first half of the current business year on the yen's depreciation against the U.S. dollar.

First half exports rose 40.5 per cent from a year earlier to Y153bn. The company had an exchange profit of Y1.5bn in the first half, compared with only Y80m a year earlier.

Export sales in the second half year are expected to increase steadily, though with the growth rate slowing in reflection of the more recent yen recovery.

Electronic appliance sales are expected to rise about 30 per cent, those of electric home appliances up 12 per cent and of home heating equipment 64 per cent.

Capital outlay by the Sanyo business group this business year are planned to increase to about Y70bn from the Y50bn orginially planned, to about twice last year's figure.

INTERNATIONAL COMPANIES and FINANCE

Sappi increases first-half pre-tax income by 80%

BY JIM JONES IN JOHANNESBURG

SAPPI, South Africa's largest papermaker, increased its pre-tax profit by 80 per cent to R22.6m ($29.5m) in the six months to June 30, from R12.5m a year earlier. Turnover was 39 per cent ahead at R163.3m against R117.5m. This compares with operating profit of R37.7m and turnover of R261.6m for the whole of 1979.

The improved profit arose in part from consolidation for a full six months' operation of the Stanger mill, acquired last year from Reed International, compared with one month in the first half of 1979.

Although Mr. Ted Pavitt, the chairman, warned shareholders against expecting proportionately as large a growth rate in the second half, he said a material improvement should be reported. Local and export sales remained strong and operating margins have been enhanced by better plant utilisation and operations at the previously troubled Enstra papermill.

Although prospects look good overall, some near-term problems could affect second-half operations. In Natal a severe drought has resulted in water shortages which threaten to cause intermittent stoppages at the Stanger pulp mill. Mr. Pavitt, however, does not think the stoppages will have a material effect on earnings. He points out that the Tugela pulp mill which is also in Natal is not affected by drought.

An interim dividend of 15 cents against 10 cents a year earlier has been declared from first-half earnings per share of 66.5 cents (36.5 cents in 1979). Sappi has decided to increase dividend cover to three times. However, the company does not expect this year's total dividend to be less than 45 cents. In 1979 Sappi earned 89.2 cents a share and declared a total dividend of 36 cents. In Johannesburg, Sappi shares are currently trading at 840 cents.

Cheung Kong to delay report

By Rodney Hobson in Hong Kong

CHEUNG KONG HOLDINGS, the real estate company, is delaying the announcement of interim profit and dividend figures as a result of the acquisitions in two companies, one of them Hutchison Whampoa. Normally, first-half results are announced in July, but this year's figures are to be published on September 5 after similar announcements by Hutchison Whampoa and Green Island Cement, so that a proportion of their profits can be incorporated in the Cheung Kong results.

Group results for Teijin show sharp rise in earnings

BY OUR FINANCIAL STAFF

TEIJIN, JAPAN'S largest manufacturer of polyester, raised its consolidated net profits by 168 per cent in the year to March 31, to Y10.25bn ($47m), from Y3.82bn in 1978-79, on sales increased by 17.6 per cent to Y389.28bn ($1.8bn), from Y331.09bn.

The textile manufacturer in May announced a trebling in its net profit on a parent company basis of Y7.2bn, from Y2.23bn, against a background of anti-recession measures in Japan and more profitable exports, with the fall in the value of the yen in the foreign exchange market.

A sharp rise in profits on a consolidated basis is also reported by Asahi Chemical Industries, another synthetic fibre maker. Asahi increased its consolidated net profits by 163 per cent to Y24.16bn ($110.8m) in the 12 months to March 31, from Y9.18bn in 1978-79.

The Asahi parent earlier reported a 27.6 per cent gain in net earnings to Y11.81bn, on sales up 27.7 per cent to Y541.9bn. The company's consolidated sales showed a gain of 28.2 per cent to Y711.3bn ($3.3bn).

* * *

NIPPON LIGHT METAL, the aluminium smelter, has announced consolidated net profits of Y9.71bn ($44.5m) for the year to March 31, or more than 13 times the Y713m of the previous year.

The company, associated with Alcan Aluminium, has been engaged in a reconstruction of its business in recent years, after enduring losses for some time.

Consolidated sales last year rose by 34.1 per cent to Y331.72bn ($1.5bn).

Carrian group reshuffles Gammon House holding

BY OUR HONG KONG CORRESPONDENT

GAMMON HOUSE, an office block in the Central district of Hong Kong that was sold for just under HK$ 1bn (U.S.$ 200m) in January, has changed hands again for HK$1 in a transaction within the Carrian group.

The property is the sole asset of Extrawin, a company which is 75 per cent owned by Carrian and 25 per cent by Inland Realty. Extrawin bought Gammon House from Hong Kong Land, with Carrian and Inland Realty taking a shareholding in proportion to the funds they raised.

Carrian's stake in Extrawin, together with its share of the debt of HK$ 998m plus taxes associated with the purchase, is to be transferred to Mai Hon Enterprises, a 75 per cent owned subsidiary of Carrian.

Carrian said last wek that it had received offers of up to HK$ 1.43bn for the property, but that it felt further offers could take the price to HK$ 1.7bn

Mai Hon said that funds had been arranged through the Carrian group for "as long as may be required." No period for repayment has been arranged, but Extrawin's debt to Carrian will attract interest of about 2 per cent over the Hong Kong prime lending rate.

Mai Hon announced after-tax profits for the year to March 31 of HK$ 10.5m, well down from the previous year's HK$ 31.5m. But extraordinary profit was boosted by the sale of properties to HK$ 310.8m from HK$ 4.9m.

The final dividend is 21 HK cents making a total of 28 cents. Last year's figures were 6 cents and 12, respectively. A bonus issue on a three-for-five basis is to be made.

The directors propose to change the name of Mai Hon to Carrian Investments and hope to maintain the dividend for the nine months to December. The change in the accounting period will bring the company into line with others in the Carrian group.

Hong Kong Land and Carrian said final payment has been made by Carrian for the balance of the sale price of Gammon House.

Hong Kong Land will continue to be responsible for the management of the building on behalf of Carrian, the companies said.

Kuwait awards contract for new stock exchange

KUWAIT — The Kuwait Ministry of Commerce and Industry has signed a 10.8m Kuwaiti dinar ($40m) contract with a local company to build a new Kuwait Stock Exchange, an agent for the Ministry said.

Construction of the nine-storey, marble-faced building will begin in two months and will take about two and a-half years, the agent, Kuwait Foreign Trading, Contracting and Investment Company, said.

The new exchange to be built by the Al-Hani Construction Company, will include a 1,000 square metre, three-storey-high trading floor. A balcony above the floor will house offices for 68 brokers.

Kuwait Stock Exchange, which ranks eighth in the world based on value of turnover, began operating at its present site three years ago in the former storage basement of a row of shops.

There are now 16 brokers, and the new exchange is designed to allow for expansion. The shares of 39 companies are listed on the exchange, but trading is restricted to Kuwaiti nationals.

Reuter

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BASE LENDING RATES

A.B.N. Bank	16 %	■ Hambros Bank	16 %
Allied Irish Bank	16 %	☐ Hill Samuel	§16 %
American Express Bk.	16 %	C. Hoare & Co.	†16 %
Amro Bank	16 %	Hongkong & Shanghai	16 %
Henry Ansbacher	16 %	Industrial Bk. of Scot.	17½%
A P Bank Ltd.	16 %	Keyser Ullmann	16 %
■ Arbuthnot Latham	16 %	Knowsley & Co. Ltd.	18 %
Associates Cap. Corp.	16 %	Langris Trust Ltd.	16 %
Banco de Bilbao	16 %	Lloyds Bank	16 %
Bank of Credit & Cmce.	16 %	Edward Manson & Co.	17 %
Bank of Cyprus	16 %	Midland Bank	16 %
Bank of N.S.W.	16 %	■ Samuel Montagu	16 %
Banque Belge Ltd.	16 %	■ Morgan Grenfell	16 %
Banque du Rhone et de la Tamise S.A.	16½%	National Westminster	16 %
Barclays Bank	16 %	Norwich General Trust	16 %
Bremar Holdings Ltd.	17 %	P. S. Refson & Co.	16 %
Brit. Bank of Mid. East	16 %	Rossminster	16 %
Brown Shipley	16 %	Ryl. Bk. Canada (Ldn.)	16 %
Canada Perm't Trust	17 %	Schlesinger Limited	16 %
Cayzer Ltd.	16 %	E. S. Schwab	16 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	17 %
■ Charterhouse Japhet	16 %	Standard Chartered	16 %
Choulartons	17 %	Trade Dev. Bank	16 %
C. E. Coates	16 %	Trustee Savings Bank	16 %
Consolidated Credits	17 %	Twentieth Century Bk.	16 %
Co-operative Bank	*16 %	United Bank of Kuwait	16 %
Corinthian Secs.	16 %	Whiteaway Laidlaw	16½%
The Cyprus Popular Bk.	16 %	Williams & Glyn's	16 %
Duncan Lawrie	16 %	Wintrust Secs. Ltd.	16 %
Eagil Trust	16 %	Yorkshire Bank	16 %
E. T. Trust Limited	17 %		
First Nat. Fin. Corp.	19½%		
First Nat. Secs. Ltd.	19 %		
Robert Fraser	16 %		
Antony Gibbs	16 %		
Greyhound Guaranty	16 %		
Grindlays Bank	16 %		
■ Guinness Mahon	16 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 14%, 1-month deposits 14¼%.
† 7-day deposits on sums of £10,000 and under 14%, up to £25,000 14¼% and over £25,000 14½%.
‡ Call deposits over £1,000 14%.
§ Demand deposits 14½%.

VONTOBEL EUROBOND INDICES

14.5.76=100%

PRICE INDEX	8.7.80	15.7.80	AVERAGE YIELD	8.7.80	15.7.80
DM Bonds	96.36	96.72	DM Bonds	8.288	8.245
HFL Bonds & Notes	93.55	94.74	HFL Bonds & Notes	9.736	9.684
U.S. $ Strt. Bonds	91.41	92.52	U.S. $ Strt. Bonds	10.684	10.760
Can. Dollar Bonds	92.18	94.18	Can. Dollar Bonds	11.271	11.261

CURRENCIES, MONEY and GOLD

Dollar weaker

The dollar lost ground against most currencies yesterday in generally quiet and featureless trading. It also finished around its worst level of the day, closing at DM 1.7435 against the D-mark, compared with DM 1.7475 on Tuesday and SwFr 1.6045 against SwFr 1.6100 in terms of the Swiss franc. It was also weaker against the Japanese yen, finishing at Y218.75 from Y219.35. The U.S. unit may have been influenced by a weaker trend in Euro-dollar rates, with the latter falling by up to ½ of a point in places. On Bank of England figures the dollar's trade weighted index fell to 83.0 from 83.2.

Sterling was slightly weaker overall, and its trade weighted index, measured by the Bank of England against a basket of currencies, fell to 74.5 from 74.6, having stood at 74.5 at noon and in the morning. Against the dollar it opened at \$2.3700-2.3710 and dipped just below \$2.37 during the morning. In the afternoon the dollar started to ease and sterling rose to \$2.3725-\$2.3735 before closing at \$2.3720-\$2.3730, a fall of just 5 points.

D-MARK — Slightly weaker within the European Monetary System recently, but showing a firmer trend against the dollar, following a sharp narrowing of Euro-currency rate differentials. There was no intervention by the Bundesbank at yesterday's fixing, when the dollar eased slightly to DM 1.7476, down from Tuesday's fixing of DM 1.7483. There appeared to be little to influence trading, with interest rates showing little change, and business remained at a low level for most of the day. Against other currencies the D-mark showed mixed changes, with sterling easing to DM 4.1430 from DM 4.1450 and the French franc to DM 43.075 per FFr 100 from DM 43.10. On the other hand the Dutch guilder rose to DM 91.485 from DM 91.425 per Fl 100 and the Belgian franc was higher at DM 6.243 compared with DM 6.240 per BFr 100.

BELGIAN FRANC — Remaining steady within the EMS despite recent easing of Brussels interest rates, including a cut in the central bank discount rate—The Belgian franc was unchanged on balance at yesterday's fixing in Brussels, losing ground to the D-mark but improving against sterling and the French franc. The dollar was fixed at BFr 28.00 against BFr 28.01, but the D-mark was higher at BFr 16.0180 against BFr 16.0160. On the other side sterling slipped to BFr 66.34 from BFr 66.41, and the French franc was lower at BFr 6.9005 compared with BFr 6.9047 on Tuesday.

ITALIAN LIRA — Still the weakest currency within the EMS, but showing a steadier tendency following the early July support package—The lira was mostly firmer at yesterday's fixing in Milan, with the dollar weaker at L831.45 against L831.80, and sterling slipping to L1,969.90 from L1,972.50. The D-mark was fixed lower at L475.85 from L475.90 and the French franc at L204.91 from from L204.99. On the other hand the Dutch guilder rose to L435.55 from L434.80, and the Danish krone was higher at L153.58 against L153.53.

JAPANESE YEN — Steady in recent weeks, after showing a marked recovery on the downward trend in U.S. interest rates. Last year fears about energy supplies and balance of payments problems severely depressed the currency — The yen was little changed in Tokyo yesterday, with the dollar quoted at Y219.20 at the close, compared with an opening level of Y219.65 and Tuesday's close of Y219.15. Trading was again described as dull and uneventful, and the dollar showed a gentle decline during the day to finish around its worst level.

THE POUND SPOT AND FORWARD

July 16	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3680-2.3735	2.3720-2.3730	1.57-1.47c pm	7.69	3.78-3.68 pm	6.29
Canada	2.7290-2.7360	2.7295-2.7305	1.32-1.22c pm	5.58	3.33-3.23 pm	4.80
Nethlnd.	4.51½-4.54½	4.52½-4.53½	2¼-1¾c pm	5.98	6⅞-5⅞ pm	5.08
Belgium	66.20-66.50	66.25-66.35	17-7c pm	2.17	40-30 pm	2.11
Denmark	12.79½-12.86½	12.80-12.81	¼-2¼ore dis	−1.40	7-8½ dis	−2.42
Ireland	1.1025-1.1075	1.1030-1.1040	0.02p pm-0.02 dis	—	0.16-0.10 pm	0.47
W. Ger.	4.13-4.16	4.13½-4.14½	3-2pf pm	7.25	7-6 pm	6.28
Portugal	115.30-115.90	115.50-115.70	5c pm-25 dis	−1.04	20pm-85dis	−1.12
Spain	167.70-168.10	168.00-168.10	55-120c dis	−6.25	290-370 dis	−7.85
Italy	1,970-1,973	1,970½-1,971½	4-6lire dis	−3.04	28¼-30¼dis	−5.94
Norway	11.40½-11.43½	11.41½-11.42½	8-6⅞ore pm	7.81	18¾-16⅞ pm	6.17
France	9.60-9.65	9.61-9.62	3¾-2¾c pm	4.06	8¼-7¼ pm	3.43
Sweden	9.77-9.80	9.77½-9.78½	2½-1½ore pm	3.07	3½-2½ pm	1.10
Japan	517-522	518¾-519¾	1.86-1.50y pm	3.87	4.10-3.75 pm	3.02
Austria	29.32-29.50	29.33-29.38	16-11gro pm	5.31	35-30 pm	4.43
Switz.	3.80-3.84	3.80½-3.81½	4-3c pm	11.02	10¾-9¾ pm	10.37

Belgian rate is for convertible francs. Financial franc 66.90-67.00. Six-month forward dollar 5.27-5.17c pm. 12-month 7.25-7.15c pm.

Japan July 15 517-522 (Spread), 520-521 (Close)

THE DOLLAR SPOT AND FORWARD

July 16	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.3680-2.3735	2.3720-2.3730	1.57-1.47c pm	7.69	3.78-3.68 pm	6.29
Ireland†	2.1415-2.1490	2.1470-2.1490	1.50-1.40c pm	8.10	3.70-3.60 pm	6.80
Canada	1.1512-1.1540	1.1512-1.1515	0.17-0.21c dis	−1.98	0.37-0.42dis	−1.37
Nethlnd.	1.9045-1.9130	1.9045-1.9055	0.20-0.25c dis	−1.42	0.37-0.42dis	−0.83
Belgium	27.94-28.03	27.94-27.96	11-12½c dis	−5.04	25-28 dis	−3.79
Denmark	5.4015-5.4170	5.4015-5.4030	3½-4½ore dis	−8.88	11¼-11¾ dis	−8.51
W. Ger.	1.7415-1.7510	1.7430-1.7440	0.05-0.15pf dis	−0.69	0.10 pm-par	0.11
Portugal	48.60-48.80	48.65-48.75	30-40c dis	−8.62	70-110 dis	−7.39
Spain	70.76-70.86	70.80-70.85	70-95c dis	−13.98	210-240dis	−12.71
Italy	830.90-832.20	830.90-831.20	7-9lire dis	−11.55	24½-27 dis	−12.39
Norway	4.8135-4.8190	4.8135-4.8150	.20ore pm-.30dis	−0.12	0.40-0.90dis	−0.54
France	4.0505-4.0585	4.0515-4.0530	1.12-1.22c dis	−3.47	2.75-2.90dis	−2.79
Sweden	4.1220-4.1280	4.1225-4.1235	1.55-1.70ore dis	−4.73	5.15-5.30dis	−5.07
Japan	218.50-219.10	218.70-218.80	0.65-0.80y dis	−3.98	1.70-1.85dis	−3.24
Austria	12.38¾-12.40¾	12.36¾-12.37¾	2.30-2.90gro dis	−2.52	5.00-6.75dis	−1.90
Switz.	1.6026-1.6175	1.6040-1.6050	0.51-0.46c pm	3.63	1.63-1.58 pm	4.00

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

July 16	Bank of England Index	Morgan Guaranty Changes%
Sterling	74.5	−31.8
U.S. dollar	83.0	−10.5
Canadian dollar	81.3	−16.3
Austrian schilling	157.4	+24.5
Belgian franc	116.2	+14.3
Danish kroner	108.1	−3.5
Deutsche mark	156.5	+44.9
Swiss franc	200.5	+80.9
Guilder	126.3	+20.1
French franc	102.4	−5.3
Lira	53.1	−51.4
Yen	129.2	+27.3

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

CURRENCY RATES

July 15	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	16	0.560130	0.607261
U.S. $	11	1.32818	1.43921
Canadian $	10.44	1.53113	1.65797
Austria Sch.	6¾	16.4801	17.8534
Belgium F	13	37.2023	40.3050
Danish K	13	7.19108	7.80410
D'mark	7½	2.32206	2.51646
Guilder	9½	2.54014	2.75234
French Fr.	9½	5.38843	5.84102
Lira	15	1104.71	1197.06
Yen	9	290.739	315.330
Norwgn. Kr.	9	6.38921	6.92547
Spanish Pts.	8	93.9063	101.846
Swedish Kr.	10	5.47874	5.93745
Swiss Fr.	3	2.13598	2.31640

OTHER CURRENCIES

July 16	£	$		£ Note Rates
Argentina Peso	4414-4434	1865-1872	Austria	29.20-29.50
Australia Dollar	2.0400-2.0440	0.8605-0.8610	Belgium	66.60-67.20
Brazil Cruzeiro	123.38-124.38	52.116-52.316	Denmark	12.77-12.87
Finland Markka	8.55-8.56	3.6065-3.6075	France	9.57-9.63
Greek Drachma	101.028-105.374	42.65-42.70	Germany	4.12-4.15
Hong Kong Dollar	11.63-11.65	4.9065-4.9075	Italy	1940-1980
Iran Rial	n a	n a	Japan	519-524
Kuwait Dinar(KD)	0.629-0.636	0.2667-0.2668	Netherlands	4.50½-4.53½
Luxembourg Frc.	66.25-66.35	27.94-27.96	Norway	11.38-11.48
Malaysia Dollar	5.0780-5.0900	2.1420-2.1440	Portugal	112-116
New Zealand Dlr.	2.3975-2.4025	1.0110-1.0120	Spain	162-169
Saudi Arab. Riyal	7.83-7.89	3.3175-3.3205	Sweden	9.74-9.82
Singapore Dollar	5.0075-5.0165	2.1115-2.1135	Switzerland	3.80½-3.85½
Sth. African Rand	1.8150-1.8160	0.7650-0.7655	United States	2.367-2.377
U.A.E. Dirham	8.71-8.77	3.6680-3.6910	Yugoslavia	63-66¾

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU July 16	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.3009	+1.28	+0.61	±1.53
Danish Krone	7.72336	7.79114	+0.88	+0.21	±1.64
German D-Mark	2.48208	2.51463	+1.31	+0.64	±1.125
French Franc	5.84700	5.84256	−0.08	−0.75	±1.3557
Dutch Guilder	2.74362	2.74962	+0.22	−0.45	±1.512
Irish Punt	0.668201	0.671728	+0.53	−0.14	±1.668
Italian Lira	1157.79	1198.75	+3.54	+2.93	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

July 16	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.375	4.140	519.3	9.615	3.810	4.530	1971.	2.730	66.30
U.S. Dollar	0.421	1.	1.745	218.9	4.053	1.606	1.909	830.8	1.151	27.95
Deutschemark	0.242	0.573	1.	125.4	2.322	0.920	1.094	476.1	0.659	16.01
Japanese Yen 1,000	1.926	4.569	7.973	1000.	18.52	7.338	8.724	3796.	5.258	127.7
French Franc 10	1.040	2.467	4.306	540.0	10.	3.963	4.711	2050.	2.839	68.95
Swiss Franc	0.262	0.623	1.087	136.3	2.524	1.	1.189	517.3	0.717	17.40
Dutch Guilder	0.221	0.524	0.914	114.6	2.123	0.841	1.	435.1	0.603	14.64
Italian Lira, 1,000	0.507	1.204	2.100	263.4	4.878	1.933	2.298	1000.	1.385	33.64
Canadian Dollar	0.366	0.869	1.516	190.2	3.522	1.396	1.659	722.0	1.	24.29
Belgian Franc 100	1.508	3.578	6.244	783.2	14.50	5.747	6.833	2973.	4.118	100.

FT LONDON INTERBANK FIXING (11.00 a.m. JULY 16)

3 month U.S. dollars		6 month U.S. dollars	
bid 9 1/4	offer 9 3/8	bid 9 11/16	offer 9 15/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for \$10m quoted by the market to five reference banks at 11 am each working day. The banks are *National Westminster Bank*, *Bank of Tokyo*, *Deutsche Bank*, *Banque Nationale de Paris*, and *Morgan Guaranty Trust*.

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

July 16	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	16⅝-16⅞	8⅞-9⅛	10-12	10½-10¾	3-3¼	9⅝-9⅞	11⅞-12⅛	14-17	9⅛-9⅜	11⅝-11⅞
7 days' notice	16½-16¾	9-9¼	10-12	10⅝-10⅞	3½-4	9⅝-9⅞	11⅞-12⅛	17½-20½	9⅛-9¼	12¼-12⅛
Month	16¼-16½	8⅝-8⅞	11⅛-11⅜	10⅛-10⅜	5¼-5⅝	9⅜-9⅝	11⅞-12⅛	20¼-21¾	8¾-8⅞	12⅝-12¾
Three months	15½-15¾	9⅛-9⅜	10⅞-11¼	10-10¼	5⅜-5½	9⅛-9¼	11⅞-12⅛	21-22	9¼-9⅜	12½-12⅝
Six months	14⅛-14⅜	9⅞-9⅞	10¾-11⅛	10-10¼	5⅛-5⅜	8¾-8⅞	11⅞-12⅛	21-22	9⅞-9⅞	11⅜-11⅝
One Year	13⅛-13⅜	9⅞-9⅞	10¾-11⅛	10-10⅛	5-5⅛	8⅞-8⅞	12-12¼	19½-20½	9⅞-9⅞	9¾-9⅞

Long-term Eurodollar two years 10⅝-10⅞ per cent; three years 10⅞-11⅛ per cent; four years 11-11¼ per cent; five years 11¼-11½ per cent; nominal closing rate. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore.

The following nominal rates were quoted for London dollar certificates of deposit; one-month 9.05-9.15 per cent; three-months 9.10-9.20 per cent; six-months 9.15-9.25 per cent; one year 9.30-9.40 per cent.

INTERNATIONAL MONEY MARKET

Europeans cautious

Belgian and Dutch central bank discount rates were unchanged yesterday, despite speculation of possible cuts in interest rates in the near future. The Dutch guilder remains very firm near the top of the European Monetary System, while the Belgian franc is also comfortable, marginally stronger than the D-mark, and gaining some advantage from a slight weakening of the French franc. At yesterday's weekly meeting of the Belgian National Bank the discount and lombard rates—which were cut by 1 per cent to 13 per cent on June 26—were left unchanged, while in Amsterdam short term rates were generaly firmer as the likelihood of an imminent fall in bank rate diminished.

Despite the relative strength of their respective currencies both central banks may be waiting for a lead from the German Bundesbank, which last changed its discount rate by increasing it to 7½ per cent from 7 per cent on May 2, in pursuance of a tight monetary policy.

Markets were cautious ahead of yesterday's announcement from Brussels, however, in the light of the recent downward trend in Belgian rates, and comments by Government Ministers about stimulation of the economy.

In Amsterdam the firmer trend in short term rates contrasted with a weakening of longer term money.

UK MONEY MARKET

Further help

Bank of England Minimum Lending Rate 16 per cent (since July 3, 1980)

Day-to-day credit remained in slightly short supply in the London money market yesterday, and the authorities gave assistance by buying a small amount of Treasury bills from the discount houses.

Banks brought forward moderate surplus balances, but this was outweighed by repayment of Tuesday's small lending to the market; maturities of a small number of local authority bills held by the authorities; and a small net take-up of Treasury bills.

Discount houses paid around 12 per cent for secured call loans at the start, with some money picked up at 11½ per cent cent as banks made reserve asset money freely available on the third Wednesday in the month. Conditions were much tighter towards the close however, with rates finishing at 15¾-16 per cent.

GOLD

Slight rise

Gold rose \$5 an ounce in the London bullion market yesterday to close at \$624-627. The metal opened at \$602-605 and attracted some interest at this level, reaching a high around noon of \$634-636. It came back however to be fixed during the afternoon at \$624.75, and stayed around this level until the close.

In Paris the 12½ kilo bar was fixed at FFr 83,000 per kilo C\$636.24 per ounce) compared with FFr 83,000 (\$636.04) in the morning, and FFr 82,000 (628.65) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 35,175 per kilo C\$626.02 per ounce) against DM 34,960 (\$623.01) previously, and closed at \$624-627 per ounce from \$618-621.

In Zurich gold finished at \$624-628 compared with \$618-621 on Tuesday.

	July 16		July 15	
Gold Bullion (fine ounce)				
Close	\$624-627	(£263-264½)	\$619-622	(£260.9-262.2)
Opening	\$602-605	(£254-255¼)	\$631-634	(£266.1-267.4)
Morning fixing	\$624.50	(£263.258)	\$621.00	(£261.804)
Afternoon fixing	\$624.75	(£263.219)	\$619.50	(£261.095)
Gold Coins				
Krugerrand	\$645-648	(£272-274)	\$639-642	(£269½-271½)
Mapleleaf	\$639-643	(£269½-272½)	\$635-638	(£267½-269½)
New Sovereigns	\$159-160	(£67-68)	\$157-158	(£66¼-67¼)
King Sovs.	\$182½-184½	(£77-78)	\$182-184	(£76½-77½)
Victoria Sovs.	\$182½-184½	(£77-78)	\$182-184	(£76½-77½)
French 20s	\$165-168		\$161½-164½	
50 pesos Mexico	\$775-780		\$762-767	
100 Cor. Austria	\$610-616		\$603-608	
\$20 Eagles	\$750-755		\$728-732	
\$10 Eagles	—		—	—
\$5 Eagles	—		—	—

MONEY RATES

NEW YORK	
Prime Rate	11¼-11½
Fed. Funds	8⅞-9¼
Treasury Bills (13-week)	8.08
Treasury Bills (26-week)	8.06
GERMANY	
Discount Rate	7.5
Overnight Rate	9.60
One month	9.85
Three months	9.75
Six months	9.30
FRANCE	
Discount Rate	9.5
Overnight Rate	12.00
One month	12.0625
Three months	12.0625
Six months	11.75
JAPAN	
Discount Rate	9.0
Call (Unconditional)	12.625
Bills Discount (three-month)	12.8125

LONDON MONEY RATES

July 16 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	16-25	—	—	—	17½	11½-16	—	—	—
2 days notice	—	—	16½-16¾	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	16⅝-17	16⅝-16¾	—	17	17¼	14½-15½	—	—	—
One month	16⅜-16⅛	16⅛-16⅞	16½-15⅝	17⅛-17⅜	16⅞	17¼	15⅜-15⅝	14⅞-14⅞	16⅞	16⅞
Two months	16⅛-15⅞	16⅛-16⅜	—	16½-17	16⅝	—	15-15⅛	14⅝	15⅞-15⅞	16¼
Three months	15⅞-15⅞	15⅝-15⅞	15¾-16	15¾-16⅛	16⅛	16¼	14½-14⅝	14⅝-14⅞	15⅞	15⅝
Six months	14¼-14⅞	14⅝-14¾	14½-14⅞	14¼-14½	14⅞	15½	—	—	13⅞	14
Nine months	13⅜-13⅞	13⅞-13⅞	—	14¼-14½	14⅛	15	—	—	—	—
One Year	12⅞-13⅛	13⅜-13⅞	13⅜-13⅝	13⅛-13¾	13⅞	15	—	—	—	—
Two years	—	—	13⅜-13⅝	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rate nominally three years 13¾-13¾ per cent; four years 13¾-13¾ per cent; five years 13¾-13¾ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 14¾-14⅞ per cent; four-month trade bills 15⅝ per cent.

Approximate selling rate for one-month Treasury bills 14⅞ per cent; two-months 14½ per cent; three-months 14½-14½ per cent. Approximate selling rate for one-month bank bills 16⅞ per cent; two-months 15⅞-15¾ per cent; three months 14⅞-15 per cent; one-month trade bills 16⅝ per cent; two-months 16 per cent and three-months 15½ per cent.

Finance House Base Rates (published by the Finance Houses Association) 17 per cent from July 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 14 per cent. Clearing Bank Rates for lending 16 per cent. Treasury Bills: Average tender rates of discount 14.4924 per cent.

APPOINTMENTS

هكذا من الأصل

Burton Group managing director

Mr. Ralph M. Halpern, joint managing director for the main clothing divisions of the BURTON GROUP, has become group managing director. He is now responsible to the board through the executive chairman for the day-to-day operations of the group. Mr. Cyril Spencer continues as executive chairman of the Burton Group.

★

Mr. F. R. Gibb, Mr. J. C. C. Stewart and Mr. W. A. K. Wicks have been appointed to the Board of the NATIONAL NUCLEAR CORPORATION. Mr. Gibb is a joint managing director of Taylor Woodrow and chairman and managing director of Taylor Woodrow Construction. Mr. Stewart is deputy chairman of the Nuclear Power Company and Mr. Wicks is Financial director of that concern.

★

Mr. A. Derek Jones has become president and Mr. Kenneth L. Shanks, vice president, of the BRITISH CERAMIC MANUFACTURERS' FEDERATION. Mr. Anthony J. Wade, the retiring president, becomes deputy president.

★

Mr. Barry Reynolds has been appointed director of finance for *NORTH THAMES GAS.*

★

Mr. D. L. Heighington has been appointed managing director of NORTHERN STRIP MINING, a subsidiary of Burnett and *Hallamshire Holdings.* Mr. Eric Grayson, deputy chairman of Burnett and Hallamshire, is the chief executive of the group's mining division and will remain chairman of NSM.

★

Mr. B. Medhurst (Prudential) has been elected chairman of the BRITISH INSURANCE ASSOCIATION INVESTMENT PROTECTION COMMITTEE in succession to Mr. N. E. Shepherd (Guardian Royal Exchange). Mr. J. D. Webster (Sun Life) and Mr. D. S. Enock (Commercial Union) have been elected deputy chairmen.

★

Mr. Clive Newton has been appointed a director of the Consumer Affairs Division of the OFFICE OF FAIR TRADING, with the rank of Under-Secretary. He takes up his new post on July 21 and succeeds Miss Joyce Blow, who is returning to the Department of Trade.

★

Mr. R. G. Hanna is to give up his duties as an executive director of Scottish Western Trust Company on September 1 when he will join its associated company CITY OF ABERDEEN *LAND ASSOCIATES as director* in charge of diversification. He will remain a non-executive director of Scottish Western Trust.

★

Mr. Alan Vincent has been appointed technical director at WHITE TRUCK CONCESSIONAIRES, of Bromborough.

★

Mr. Ian F. McQuattie has been appointed financial director of the CHETWYND STREETS GROUP.

★

Mr. Andrew Derbyshire has been elected senior vice-president of the ROYAL INSTITUTE OF BRITISH ARCHITECTS for the 1980-81 session, and will become the Council's nominee for the presidency next year.

★

Mr. Don Harper has been appointed to the board of RESTALL PRODUCTION DESIGN GROUP, Birmingham, as director export and leisure seating division.

★

Mr. L. A. Coombs and Mr. J. M. Thomson have been appointed non-executive directors of F. W. WOOLWORTH AND COMPANY. Mr. Coombs is a consultant to a number of companies and was previously a director of Boots Company. Mr. Thomson is deputy chief executive of Brooke Bond Liebig.

★

The Home Secretary is re-appointing Sir Desmond Plummer as chairman of the HORSERACE BETTING LEVY BOARD for a further period. Sir Desmond has been chairman of the Levy Board since January, 1974, *and his present term of* office will expire on January 31, 1981. At Sir Desmond's request his final term of office will run from February 1, 1981, until September 30, 1982, to facilitate the hand-over of duties to his eventual successor.

★

Mr. Paul J. Tipple has been appointed a director of BOVIS INTERNATIONAL and Mr. Alex J. Prescott has become financial director.

★

Mr. G. A. Warner has been appointed a director of LAING MANAGEMENT CONTRACTING, a member of the John Laing Group, with responsibility for commercial aspects including project acquisition and publicity.

★

MINING SUPPLIES, of Doncaster, has appointed the following executives to its main board: Mr. M. J. Bell, commercial; Mr. P. Britton, mining and sales; Mr. F. Sayles, works; Mr. B. R. Stoppani, technical; and Mr. D. Pyle, financial.

★

Mr. Leslie G. Christmas, finance and leasing director of Bowmaker, has been appointed chairman of the EQUIPMENT LEASING ASSOCIATION in succession to Mr. Tom Clark, managing director of Lloyds Leasing, who has completed his two-year term of office. At the same time, Mr. Arthur Anderson, *managing director of Midland* Montague Leasing, has become vice-chairman of the Association.

★

Mr. M. M. Murphy has been appointed managing director of STEWART WRIGHTSON (INTERNATIONAL) and a director of STEWARD WRIGHTSON INTERNATIONAL Group, succeeding Mr. M. C. Hughesdon who has resigned.

★

Mr. James L. Cox has been elected president of AMAX PHOSPHATE, INC., a subsidiary of Amax Inc. based in Lakeland, Florida.

★

Mr. R. E. Treacher has been appointed a director of WARREN PLANTATION HOLDINGS.

EUROPEAN OPTIONS EXCHANGE

Series		July Vol.	July Last	Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	Stock
ABN C	F.280	2	25.50	3	24	—	—	F.304.50
ABN C	F.300	10	4.50	—	—	—	—	„
ABN C	F.310	8	0.30	—	—	—	—	„
AKZ C	F.22.50	—	—	—	—	6	2.20	F.22.60
AKZ C	F.25	—	—	40	0.70	—	—	„
AKZ P	F.25	5	2.40	—	—	—	—	„
AKZ P	F.27.50	11	4.70	—	—	—	—	„
ARB C	F.65	—	—	3	2.60	—	—	F.66.30
EK C	$50	2	7	—	—	—	—	$57⅛
HEI C	F.60	16	0.20	4	2.70	—	—	F.58.10
HEI C	F.65	—	—	8	1.50	—	—	„
HEN C	F.48	7	9.80	—	—	—	—	„
HEN C	F.52	10	5.80	—	—	—	—	„
HEN C	F.60	3	0.10	—	—	—	—	„
IBM C	$55	4	9	—	—	—	—	$64⅛
IBM C	$60	8	4	—	—	4	5⅜	„
IBM C	$65	—	—	10	2½	—	—	„
IBM C	$70	—	—	2	1¼	—	—	„
KLM C	F.60	9	3	26	5.20	—	—	F.63.30
KLM C	F.70	—	—	4	2	1	3.60	„
KLM C	F.80	—	—	10	0.70	—	—	„
KLM P	F.60	22	0.20	61	3.60	—	—	„
KLM P	F.70	11	6.70	—	—	—	—	„
KLM P	F.80	5	16.70	—	—	—	—	„
NAT C	F.100	2	12.80	—	—	—	—	F.114
NAT C	F.109.10	9	4.60	—	—	—	—	„
NN C	F.110	—	—	2	5.80	—	—	„
NN C	F.120	—	—	17	1.70	5	2.50	„
PET C	Fr.5000	1	30	—	—	—	—	Fr.4970
PET C	Fr.6500	—	—	12	35	—	—	„
PHI C	F.17.50	—	—	80	1.10	—	—	F.17.80
PHI C	F.20	—	—	5	0.30	—	—	„
PHI P	F.20	3	2	—	—	—	—	„
PRD C	$25	2	⅛	—	—	3	2½	$25
RD C	F.150	246	21.60	102	21	—	—	F.171.80
RD C	F.160	253	11.50	165	12.60	16	13.50	„
RD C	F.170	818	1.50	324	5.50	75	7.50	„
RD P	F.145	—	—	10	0.50	—	—	„
RD P	F.150	—	—	71	0.90	42	2	„
RD P	F.160	3	0.10	35	3	35	5	„
RD P	F.170	48	0.50	16	6.80	—	—	„
T C	$55	—	—	5	⅞	—	—	$52½
UNI C	F.115	28	7.20	2	8.80	—	—	F.122.70
UNI C	F.120	97	2.50	50	5	5	6.10	„
UNI C	F.130	—	—	—	—	13	2.50	„
UNI P	F.110	—	—	—	—	10	2.10	„
UNI P	F.115	—	—	1	1.30	—	—	„
UNI P	F.120	—	—	26	3	—	—	„
XON C	$50	8	19½	—	—	—	—	$69¼
XON C	$55	4	14½	—	—	—	—	„
		Aug.		Nov.		Feb.		
SIE C	DM.270.50	—	—	1	17	—	—	DM284.50
SIE C	DM.280.50	—	—	40	8.60	—	—	„
SLB C	$110	12	12½	—	—	—	—	$121
SLB C	$120	—	—	—	—	6	12	„

TOTAL VOLUME IN CONTRACTS 3023

C=Call P=Put

LONDON TRADED OPTIONS

Option	Ex'rcise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	300	58	—	73	60	82	—	355p
BP	330	28	2	48	—	62	—	„
BP	360	6	6	26	1	42	20	„
BP	390	1	4	15	41	32	2	„
BP	420	¼	—	6	16	—	—	„
Com. Union	140	24	—	30	12	35	—	161p
Com. Union	160	4	30	14	16	21	36	„
Cons. Gold	460	75	—	103	1	117	10	533p
Cons. Gold	500	35	1	73	1	87	10	„
Cons. Gold	550	7	—	43	17	58	—	„
Cons. Gold	600	2	—	23	4	38	—	„
Courtaulds	70	14	—	19	—	21½	3	84p
Courtaulds	80	4	44	12	—	16	—	„
GEC	360	116	—	128	2	144	—	474p
GEC	390	86	16	98	10	118	—	„
GEC	420	56	10	72	7	92	1	„
GEC	460	16	76	40	102	64	—	„
Grand Met.	120	49	—	49½	—	56	8	167p
Grand Met.	130	37	—	40	—	46	5	„
Grand Met.	140	27	2	31	58	38	—	„
Grand Met.	160	7	20	17½	6	26	—	„
Grand Met.	180	1½	—	8½	5	16	65	„
ICI	330	52	45	63	—	72	—	380p
ICI	360	22	—	36	15	52	—	„
ICI	390	2½	17	20	26	33	—	„
ICI	420	½	5	8	43	—	—	„
Land Secs.	253	111	1	—	—	—	—	363p
Land Secs.	293	71	17	86	3	95	—	„
Land Secs.	323	41	41	60	—	71	—	„
Land Secs.	353	11	60	40	97	53	—	„
Marks & Sp.	70	26	2	—	—	—	—	95p
Marks & Sp.	90	6½	15	11½	—	15½	2	„
Marks & Sp.	100	1	2	6	20	9½	—	„
Shell	360	68	—	80	10	92	5	424p
Shell	390	38	70	58	80	70	—	„
Shell	420	14	108	35	157	48	40	„
Totals			594		810		207	
		August		November		February		
Imperial Gp.	80	4½	5	6½	—	10	—	81p
Lonrho	70	46	—	47	—	49	1	115p
Lonrho	80	36	—	37	—	40	1	„
Lonrho	90	26	—	28	23	32	—	„
Lonrho	100	16	10	20	9	25	3	„
Lonrho	110	10	3	15½	5	20	—	„
Lonrho	120	4½	8	10	27	15	—	„
P. & O.	100	36	—	40	—	41	2	135p
P. & O.	110	26	10	31	—	31½	—	„
P. & O.	120	16	85	23½	4	24½	2	„
P. & O.	130	8½	21	16	21	17½	17	„
Racal Elec.	240	49	6	63	—	73	—	285p
Racal Elec.	260	31	40	47	5	58	—	„
Racal Elec.	280	17	66	32	16	46	20	„
RTZ	420	47	—	67	1	95	—	469p
RTZ	460	23	—	45	11	67	—	„
RTZ	500	10	—	20	14	42	—	„
Totals			254		136		46	

WORLD STOCK MARKETS

Fresh early Wall St. strength

AFTER OVERCOMING further profit-taking at the outset, Wall Street resumed its advance in reduced but still heavy trading yesterday morning.

The Dow Jones Industrial Average, which sustained a modest setback of 4 points on Tuesday, was 7.85 higher at 909.39 at 1 pm. The NYSE All Common Index climbed 45 cents to $68.80, while rises outscored declines in the ratio of nine-to-five. Turnover came to 32.80m shares, against Tuesday's 1 pm figure of 45.45m.

Analysts said cash-laden institutions continue to be buyers, motivated by expectations of still higher share prices and by signs the steepest part of the economic downturn may be over.

Reinforcing that view, analysts said, was news yesterday that industrial production in June declined 2.4 per cent, no worse than the May decline. Also, Tuesday's motor sales report, which showed a further fall but not as bad as in recent periods, was another indication, as were recent retail sales and consumer debt figures.

Bankers Trust rose 1⅛ to $53 on more-than-doubled second-quarter net profits. Upjohn put on ⅛ to $54 but Bendix slipped ¼ to $46 after both reported higher June-quarter results.

Georgia Pacific added ⅛ to $28¾ despite a drop in second-quarter earnigs. PPG Industries said June-quarter net profits fell, while Owens-Corning-Feberglas had a loss for the period. PPG shed ½ to $32 and Owens-Corning ½ to $25⅜.

Oil, Computer and Precious Metal shares advanced. Mobil gained 1⅛ to $75⅛, Ocean Drilling 1¼ to $129½ and Shell Oil 1¼ to $37⅞. Royal Dutch climbed 2⅞ to $91 and Shell Transport 1⅝ to $40⅞. Royal Dutch-Shell Group and Tokyo Gas are to jointly buy from Saudi Arabia 250,000 metric tons of liquefied petroleum gas a year for five years.

Active IBM added ¾ to $64½, National Semiconductor ¼ to $28¾, Honeywell $2 to $89⅞ and Digital Equipment 1⅞ to $77⅞.

Firming Bullion prices aided Precious Metal shares. ASA gained 1⅞ to $51⅞, Campbell Redlake 2⅞ to $53½, Dome Mines 3½ to $96½ and Homestake 2⅞ to $63.

THE AMERICAN SE Market Value Index added 2.64 at 309.08 at 1 pm. Volume 3.76m shares.

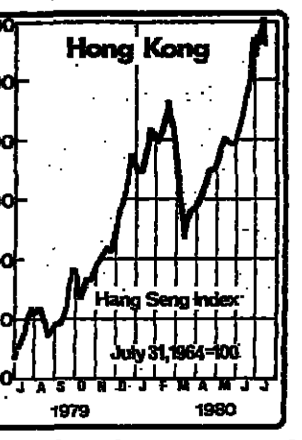
Closing prices for North America were not available for this edition.

Canada

Shares tended to improve in fairly active early dealings. The Toronto Composite Index gained 6.2 at 2,121.2 at noon, while Golds recovered 100.2 to 4,378.3 and Oil and Gas 33.1 to 4,931.8.

Hong Kong

The market downturn which took place on Tuesday on profit-taking was followed by a full-scale sharp retreat yesterday in another heavy trade. A late rally left stocks above their worst for the day, although the Hang Seng index, which closed at a seven-year peak of 1,104.56 on Monday, recorded a fall of 37.15 at 1,059.89. Trading volume amounted to HK$380.21m on the



four stock exchanges compared with Tuesday's HK$377.97m.

Dealers attributed the sharp setback to local liquidations due to margin calls on the depressed local Gold market. The liquidations in turn prompted margin calls from stockbrokers and resulted in further selling.

Jardine Matheson fell HK$1.20 to HK$18.90, Cheung Kong 60 cents to HK$16.70 and Hang Seng Bank HK$5 to HK$133, while Hongkong Bank receded 60 cents to HK$16.50, Hutchison Whampoa also 60 cents to HK$10.20, Hong Kong Land 50 cents to HK$13.70 and Swire Pacific "A" 40 cents to HK$8.45.

Swire Properties lost 30 cents to HK$7.25, Jardine Securities 55 cents to HK$9.65, Sun Hung Kai Properties 50 cents to HK$13.00, Green Island Cement HK$2 to HK$55, China Light 50 cents to HK$21.00 and World International 22 cents to HK$3.20.

Germany

Tuesday's recovery movement gathered pace yesterday in active dealings amid market rumours that Deutsche Bundesbank might relax credit policy. The Commerzbank index improved 8.3 to 736.4 for a two-day rise of 12.0.

Dealers speculated about a possible lowering of the Lombard rate, currently at 9.5 per cent, by half a point. Such action had been widely anticipated to take place in the autumn, but market sources now are increasingly speaking about a decision before the Central Bank Council adjourns for a summer break. The last meeting of the Central Bank Council before the summer pause is scheduled for July 24. The speculation had activated both foreign and domestic buying interest for shares.

Banks, having most to gain from a relaxation of Bundesbank credit restrictions, were predictably the day's best performers. Bayerische Hypothekenbank rose DM 5.50, Bayerische Vereinsbank DM 5.00, Dresdner Bank DM 4.40, Deutsche Bank DM 3.10 and Commerzbank DM 3.00.

Machines also posted sizeable gains, with Linde and Deutsche Babcock each rising DM 4.50.

The Domestic Bond market also surged in lively trading, prices gaining up to 40 pfennigs, on the same rumours of Bundesbank action, and made it possible for the Central Bank to shed paper valued at DM 36.7m on to the market, compared with a slight DM 900,000 on Tuesday.

Tokyo

Market closed mixed with a slightly firmer bias following a reasonably active business, with low-priced speculative stocks meeting bargain hunting.

The Nikkei-Dow Jones Average rallied 22.78 more to 6,816.15 and the Tokyo SE index put on 0.54 to 469.15. Gains narrowly led declines on the First Market section by 334 to 310 after turnover 330m shares (380m).

Construction issues were prominently firmer on reports that authorities have decided to recommend construction of an international airport in Western Japan. Some Pharmaceutical stocks rose on news of development of a new anti-cancer drug. Foods and Sugars were mostly higher.

Electrical Appliance shares closed mixed, while Oils, Light Electricals, Non-ferrous Metals and large-asset stocks were generally lower.

Takeda Chemical advanced Y29 to Y550, Ando Construction Y30 to Y291, Nippon Hodo Y19 to Y759, Wakachiku Y23 to Y263, Meiji Confectionery Y11 to Y404, Nittoh Chemical Y8 to Y242, Tanabe Pharmaceutical Y40 to Y760 and Ricoh Y13 to Y559.

Johannesburg

Gold shares picked up sharply after an easier opening as the Bullion price rallied in Europe. Net gains ranged to 300 cents as in Western Holdings, R59.50. President Steyn and Stilfontein rose 150 cents each to R47.00 and R22.50 respectively. Randfontein firmed 50 cents to R75.00 and Loraine 15 cents to R9.35 after quarterly results.

Anglos, among firm Mining Financials, put on 50 to R47.80 after the chairman's statement. De Beers gained 25 cents to R11.60.

CANADA

Stock	July 15	July 14
Abitibi	20	19⅞
Agnico Eagle	14¼	15¼
Alcan Alumn.	32½	31⅞
Algoma Steel	32¼	32
Asbestos	35⅝	36
Bk Montreal	27⅝	27¾
Bk Nova Scotia	29½	29⅝
Basic Resources	16	17

BELGIUM (continued)

July 16	Price Frs.	+ or —
Petrofina	4,965	—25
Royale Belge	5,700	....
Soc Gen Banq	2,415	—15
Soc Gen Belge	1,484	....
Sofina	3,310	—20
Solvay	2,625	+5
Traction Elect.	2,520	+10
UCB	1,290	....
Union Miniere	738	....
Vieille Mont	1,364	....

HOLLAND

July 16	Price Fls.	+ or —
ACF Holding	72	+0.2
Ahold	64.5xd	—0.5
AKZO	22.6	—0.2
ABN	304.5	—0.5
AMEV	84.9	—0.3
AMRO	66.3	+0.1
Bredero Cert.	175	—0.3
Bos Kalis	88.7	+1.2
Buehrmann-Tet	66	....
Caland Hldgs	23.1	+0.1

AUSTRALIA

July 16	Price Aust. $	+ or —
ANZ Group	4.92	—0.03
Acrow Aust	1.00	....
Allstate Expl.	1.50	....
Ampol Pet.	1.35	—0.05
Assoc. Pulp Pap.	2.20	....
Audimco	0.28	+0.01
Aust Cons Ind.	2.20	—0.02
Aust Guarant.	1.35	—0.03
Aust Nat Inds.	2.75	....
Aust Paper	2.00	—0.05
Bank NSW	2.90	+0.01

JAPAN (continued)

July 16	Price Yen	+ or —
Kubota	381	+3
Kumagai	406	+8
Kyoto Ceramic	3,220	—50
Lion	394	+3
Maeda Cons.	510	+7
Makita	1010	....
Marubeni	169	....
Marudai	510	+4
Marui	670	—5
Matsushita	669	+1
M'ta Elec Works	553	—1

Indices

NEW YORK — DOW JONES

NEW YORK ACTIVE STOCKS

هكذا من الأصل

Scottish timber for Scandinavia

By Lisa Wood

EXPORTS OF timber from Scotland to Scandinavia by the Economic Forestry Group, a private forestry organisation, are expected to exceed 50,000 tonnes by the end of this year.

Much of the small roundwood to be exported would not have been available had a plan for a £100m paper plant, put forward by Wiggins Teape, the paper group, and Consolidated Bathurst of Canada, the newsprint manufacturer, not been abandoned earlier this year. At the same time it was decided to close a loss-making pulp mill at Fort William.

The Economic Forestry Group, which has been exporting small amounts of timber to Scandinavia for some years, said weekly exports of timber from Montrose were now running at 1,700 tonnes.

Large amounts of timber, owned by the Forestry Commission, which would have gone to the Fort William pulp plant, are to be put out to tender in August.

The EFG said that the Scandinavians were paying "above the going rate" for the timber, which they are using to top-up their own supplies at a time when their pulp mills are working at nearly maximum capacity.

As more small roundwood becomes available, the EFG hopes to export it from other Scottish ports including Inverness and Perth.

U.S. cocoabean grindings fall

By Our Commodities Staff

U.S. COCOABEAN grindings *dropped by 25.4 per cent in the* second quarter of this year, compared with 1979, the U.S. Chocolate Manufacturers Association announced yesterday. It said grindings fell to 33.992 short tons against 45,590 tons in the same period last year. It is said to be the lowest U.S. grind in any quarter since the 1930s.

Surprisingly there was only a muted reaction on the futures market, in spite of the fact that the decline in U.S. grindings was well above expectations. The October position closed only £4.5 down at £1,079 a tonne.

Traders said it appeared that a steep fall in the U.S. grind had already been discounted by the general air of pessimism that has undermined the market in recent weeks.

Fresh fall in world sugar values

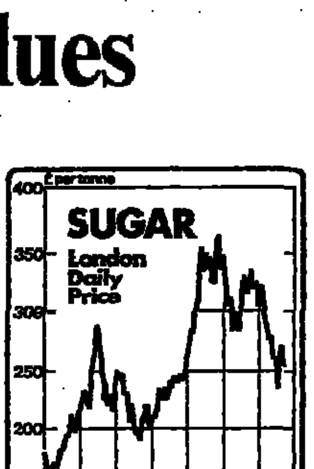
BY RICHARD MOONEY

THE RECENT sharp sell-off in the sugar market was resumed yesterday with nearby positions on the London futures market falling to their lowest levels since the end of April. The October futures position closed £19.225 down at £278.525 a tonne while the London daily raw sugar price was fixed £19 down at £255 a tonne. This reversed a sharp rise in afterhours trading on Tuesday night.

A London dealer said the market was "still trying to find a level" following the mass sell-out by speculators. The upsurge which lifted the LDP to a 5½-year peak of £362 a tonne at the end of May had been largely due to speculative buying, he said. Now the speculators had pulled out, the market was having to align more closely with physical trading levels.

Other dealers noted that the resumption of Thai sugar exports following a two-month suspension was still affecting the market.

In New York a leading commission house, Merrill Lynch, Pierce, Fenner and Smith, issued a report concluding that a 1974-style sugar price "explosion" was unlikely this year, and this was also thought to have encouraged the London price decline.



Merrill Lynch sugar analyst Mr. Fred Carlson said "another perfect sugar harvest" was possible in Europe while the Soviet crop could achieve record yields. "The big bull market in sugar may be postponed until 1981 or later," he said.

The £20 plus fall in world values over the past week did not result in export rebates being granted at yesterday's weekly EEC tender as some traders had forecast. The EEC Commission granted export licences covering 12,000 tonnes of white sugar for September-January shipment, but maintained a neutral price stance with no levy being imposed and no rebate granted.

Levies or rebates are used to cancel out the difference between fixed EEC and moving world prices.

In Bonn, meanwhile, the German ZMP market reporting agency said EEC sugar stocks are not declining in spite of recent high prices on the world market. Less than 2.3m tonnes had been disposed of in the 1979/80 selling season against a Commission target of 2.34m tonnes, it said.

In Canberra, Mr. Doug Anthony, Australian trade and resources minister, said he had agreed to high level talks with the EEC on sugar later this year. This was in response to a suggestion made by Mr. Finn Gundelach, EEC agricultural commissioner, when he met Mr. Anthony on Tuesday.

The talks will be in Brussels in September, ahead of further EEC consideration of its attitude to membership of the International Sugar Agreement.

Mr. Anthony said the ISA had done much to stabilise world markets but could have done even more had the EEC joined at the outset.

The EEC is the only large sugar exporter outside the agreement.

India's plans to boost tea exports

BY P. C. MAHANTI IN CALCUTTA

INDIA HOPES to step up tea exports this year by 20m kilos to 230m kilos, following a record crop, according to Mr. B. K. Goswami, chairman of the Indian Tea Board.

Mr. Goswami told the Tea Association of India that judging by the trend in production, the crop this year will be at least 40m kilos higher than the 1979 outturn of 560m kilos. He said the export target had been tentatively raised to 230m kilos. But this could be raised even further if world market conditions proved favourable and large buyers like Russia, Egypt and Iraq could be persuaded to step up purchases.

Output figures up to the end of May in north India, where the plucking season started in April and lasts until November, were 32.9m kilos — far ahead of the 19.2m at the same period in 1979. In South India the crop up to end of May was 54.6m kilos. This was about 6.8m kilos behind last year's figure at the same date but the output rate in recent weeks has been *fast picking up. During* the month of May alone production at 19.5m kilos is considered an all-time record. Production during June is expected to be equally good. The world tea crop, excluding China, has been lagging behind the previous year's figure by 8m kilos but Mr. B. K. Goswami warned this need be no source of comfort for the Indian tea producers, whose costs have been rising fast. China has already established itself as a leading supplier to the U.S. market, overtaking Sri Lanka in the process, and is said to be now offering its tea at prices some 25 per cent below those of Indian teas.

Mervyn de Silva writes from Colombo: Sri Lanka may soon lose its number two position in the world tea market, warned Mr Lalith Athulathmudali, Sri Lanka's trade minister. He said Ceylon tea was no longer fetch*ing premium prices because ex*porters had not adjusted themselves to world market trends and consumer tastes.

Darjeeling and Kenyan teas, he said, had gradually ousted high quality teas from Sri Lanka. Aggressive marketing methods together with the advent of new centres for blending and packeting tea to meet special consumer demands were other factors affecting Sri Lanka's position in the world tea market.

As a result the government has now decided to allow Sri Lankans to import tea from other producing countries; blend it with local tea for re-export in tea bags or in packets. Simultaneously, the export duties on both tea bags and packets have been reduced.

Stockpile tin bids rejected

By John Edwards, Commodities Editor

TIN PRICES rallied yesterday following news that the U.S. stockpile authorities had again rejected all bids at the second offering of surplus tin. Cash tin closed £80 up at £7,120 a tonne, but the rise was limited by the fact that the Penang market fell overnight.

The decision of the stockpile authorities not to accept bids for the second offering of 500 tons of tin caused some surprise. Bids were received for 220 tons at prices ranging from $6.53 to $7.53 a lb.

The higher bids are not that much below present market prices bearing in mind the doubts about the quality of the tin that has been stored outside for a very long period.

But the stockpile authorities insisted, as they did when rejecting all bids at the first offering a fortnight ago, that they were reluctant to disrupt the market. However it remains to be seen how long they can go on rejecting bids without undermining the programme to sell 10,000 tons annually for the next three years, with fortnightly offerings of 500 tons.

The uncertainty created by the stockpile sales was highlighted at the International Tin Council meeting this week when producer members decided to ask the U.S. for an explanation of the General Services Administration's pricing policy.

Producers told consumers at the meeting that they would press strongly for a rise in the Tin Agreement price range at next January's meeting of the Council. Consumers may, however, seek to delay any increase until March—a year after the latest rise.

Coffee at 16-month lows

By Our Commodities Staff

COFFEE FUTURES prices fell to new 16-month lows yesterday with the September position on the London market ending £72 down at £1,382 a tonne.

Rumours that Brazil might end its export ban prematurely encouraged the fall early on, but these remained unconfirmed and were given little credence.

UK FISHING

A tough fight for the fishermen's future

BY RICHARD MOONEY

WHEN BRITAIN'S Agriculture *Minister*, Mr. Peter Walker, travels to Luxembourg next Monday to rejoin the marathon battle with his EEC counterparts over the Common Market's fisheries policy he will carry with him what remains of UK fishermen's hopes for a profitable future—or indeed any future at all.

Leaders of the country's fishermen warned the Minister this month that their industry faces total collapse unless an equitable common fisheries policy is secured soon and unless substantial aid is provided to tide them over in the meantime. They have asked the Government for £35m to cover the second half of this year.

British catches have declined *by more than 20 per cent in the* last 10 years and their real value has fallen even more steeply because of the switch from high-value cod to low-value mackerel. All sectors of the industry are reported to be losing money and overall a negative cash flow—operating loss plus capital and interest payments—of £70m is forecast for this year. This compares with a turnover of about £250m. Imports have soared and since most of these do not come in across the quaysides, many of the country's fish docks—such as Hull, Grimsby and Fleetwood—are faced with closure.

Catches decline

There is general agreement on the basic causes of this situation: Catches are two low, costs are too high and quayside prices are depressed.

The decline in catches dates back to the general switch to 200-mile national coastal limits in the middle of the last decade which shut British vessels out of the rich cod grounds around Iceland and severely reduced their fishing opportunities off Norway and elsewhere.

The British finishing industry itself must take some of the blame. In the early 1970s too much money was invested in distant water vessels which were expensive to run and ill-suited to the more modest fishing opportunities available to the British fleet.

The one part of the equation *which has not kept pace with in*flation is quayside prices, which have been depressed by the ever-increasing flow of cheap imports. The fishermen have laid the blame for this squarely on unfair subsidies for foreign fishermen, especially within the EEC.

But the Government does not agree. "Financial aid to the British industry is broadly in line with what the rest are doing," according to Mr. Alick Buchanan-Smith, Minister of State for Agriculture with special responsibility for fishing. Figures collected by the Ministry show that the £18.9m the British fishing industry is to receive in aid this year is equivalent to 22 per cent of total aid going to EEC fishermen. This compares fairly closely with Britain's 27 per cent of Community fish landings.

Another frequent complaint against EEC imports by British fishermen is that they are made possible only by fishing in defiance of conservation regulations. This, they say, reflects the failure of Continental governments to monitor and control fish landings at their ports as stringently as the UK Government does.

The industry's problems could be eased by securing new fishing opportunities either within or outside EEC waters. For the former, the fishermen will have to wait for the conclusion of the EEC's common fisheries policy, but they are becoming increasingly impatient at the Government's failure to win access to fisheries outside Europe.

Britain's demands at this month's fisheries talks are expected to be the same as at the last session. These were: exclusive access to a 12-mile band around the coast (subject to agreement on historic rights for overseas fishermen); preferential access between 12 miles and 50 miles; and effective conservation and control measures.

The British fishing industry, taking a lead from Mr. John Silkin, the previous Agriculture Minister, regards 45 per cent as the minimum acceptable share of EEC fish quotas, but the offer so far is only 23 per cent.

New proposals are expected from the EEC Commission at the meeting but these are not likely to offer the UK anywhere near 45 per cent of the catch.

Whatever the figure its acceptability will depend largely on the composition of the catch. A figure of over 45 per cent containing a lot of "trash" species such as horse mackerel would clearly be unacceptable. But a lower figure with a dominant share of the valuable cod catch might be attractive.

The prospects of an attractive offer being made to Britain at this stage must be regarded as fairly remote. The decline in Britain's fleet has also reduced its negotiating power. France and Germany are under pressure to reach agreement with elections looming. But from their point of view a poor deal would be worse than no agreement at all.

Less antagonistic

Mr. Walker's approach to negotiations on fish has proved far less antagonistic to the EEC than that of his predecessor, Mr. Silkin, but so far the "sell-out" feared by some fishermen has not materialised. There is concern, however, about the linking of the deal on Britain's budget contribution to a "commitment" to settle the fisheries question by the end of this year.

The 1981 deadline, set by Community Foreign Ministers, may prove to be political, but the "fish to the beaches" common fisheries policy, under which there would be no exclusive zones within the EEC, agreed before Britain joined the Community is due to come into effect a year later if no agreement is reached in the meantime. This could pose a more serious threat. Even if there is no agreement by then, however, it seems more likely that the Commission would resort to the now familiar device of "stopping the EEC clock" while negotiations continued.

Delay is not the friend of the British fisherman, however. The longer the debate continues the more likely it is that Britain will not have a viable fishing industry when agreement is finally reached.

BRITISH COMMODITY MARKETS

COPPER—Easier on the London Metal Exchange. After opening lower at £918, reflecting the initial weakness of gold and silver, forward metal staged a strong recovery and touched £930, as gold moved ahead to over $635. However, in the afternoon a lower-than-expected opening in the U.S., coupled with an easier trend in gold prompted profit-taking in London and three months fell back to close the late Kerb at £923.5. News that workers at the Lomex copper-molybdenum mine in Canada have agreed a new contract was a further factor in the afternoon downturn. Turnover: 2,162 tonnes.

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Wirebars				
Cash	908.5-9.5	+5.25	904-.5	−3
3 months	929-.30	+2.75	925.5-6	−4
Settlem't	909.5	+5.5	—	......
Cathodes				
Cash			881-2	−4
3 months	883-4	+5	902-4	−4.5
Settlem't	906.7	+2		......
U.S. Prod.	884	+5	*97-101	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £909; three months £927, 29, 28, 28.5, 29, 30, 29.5. Cathodes: Cash £884, 83. Kerb: Wirebars: Three months £929, 28.5. Afternoon: Wirebars: Three months £925, 25.5, 25, 26. Cathodes: Cash £882, 81, 81.5. Kerb: Wirebars: Three months £925, 24, 23, 22.5, 23, 24, 23.

TIN—Firmer. After opening at £7,110 forward metal slipped to £7,070 in the first ring following bear selling and hedge selling. However, during the second ring this trend was reversed as good fresh buying triggered stop-loss buying and lifted the price to £7,140 by the end of the morning Kerb. In the afternoon the market staged a fresh advance to touch £7,150 prior to closing the late Kerb at £7,145. Turnover: 665 tonnes.

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grade	£	£	£	£
Cash	7120-30	+40	7115-25	+60
3 months	7115-25	+12.5	7130-40	+60
Settlem't	7130	+40	—	......
Standard				
Cash	7170-30	+40	7115-25	+80
3 months	7115-25	+12.5	7130-40	+80
Settlem't	7130	+40	—	......
Straits E.	$92120	−8		......
New York	—		—	......

Morning: Standard: Cash £7,120: three months £7,060, 90, 7,110, 20. Kerb: Standard: Three months £7,120, 30, 40. Afternoon: Standard: Three months £7,125, 30. Kerb: Standard: Three months £7,140, 50, 45.

LEAD—Barely changed. After opening at £325 forward metal staged a rally which lifted the price to £333 in the morning, reflecting the strength of copper, gold and silver. The market held this level throughout the afternoon and was finally quoted at £333.5 on the late Kerb. Turnover: 9,275 tonnes.

Morning: Cash £322.5, 22; three months £333, 32, 32.5, 33, 32.5; Kerb: Three months £332. Afternoon: Early-Aug. £324; three months £330, 31, 32. Kerb: Three months £332, 33, 34.

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	322-.5	−.25	3202	—
3 months	3323	−.75	3312	+.25
S'ment	322.5	−.5	—	......
U.S. Spot	—	......	*34-6	......

ZINC—Lost ground. Three months opened around the £306.5 level and edged up to touch £308 in the morning with the market sustained by the trend in other metals. However, profit-taking and general liquidation pared the price to £302.5 on the late Kerb. Turnover: 4,450 tonnes.

ZINC	a.m. Official	+ or −	p.m. Unoffic'l	+ or −
	£	£	£	£
Cash	293-4	−1.75	292-3	−3
3 months	304-5	−2.62	302-3	−4.25
S'ment	294	−1.5	—	......
Primw'ts	—	......	*35.5	......

Morning: Three months £307.5, 8, 7, 6, 5, 5.5, 5. Kerb: Three months £305. Afternoon: Three months £305, 4, 5, 4.5, 4, 3. Kerb: Three months £303, 2.

ALUMINIUM—Lower for forward metal as speculative and chartist selling depressed the price from £728 in early trading to £723 on the afternoon Kerb. Turnover: 5,650 tonnes.

Alumin'm	a.m. Official	+ or −	p.m. Unoffic'l	+ or −
	£	£	£	£
Spot	747-8	−.5	747-8	+.5
3 months	724-5	−3.75	722-3	−4.5

Morning: Cash £748, 47, 46, 47: three months £726, 25, 24.5. Kerb: Three months £724. Afternoon: Cash £747; three months £724, 23, 22. Kerb: Three months £723.

NICKEL—Moved narrowly in idle trading prior to closing the late Kerb at £2,78[illegible].

NICKEL	a.m. Official	+ or −	p.m. Unoffic'l	+ or −
Spot	2775-80	+6	2765-70	+7.5
3 months	2795-800	+2.5	2790-5	+2.5

Morning: Cash £2,775; three months £2,800. Afternoon: Three months £2,795. Kerb: Three months £2,784.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 19p an ounce higher for spot delivery in the London bullion market yesterday at 673.0p. U.S. cent equivalents of the fixing levels were: Spot $15.65, up 45c; three-month $16.296, up 43.2c; six-month $16.745, up 42.3c; and 12-month $17.511, up 41.4c. The metal opened at £6.45 ($15.05-$15.25) and closed at £6.65-£6.75 ($15.80-$16.00).

SILVER per troy oz	Bullion fixing price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	673.0p	+15.6	667p	+18
3 months	688.0p	+15.8	692.5p	+19
6 months	712.15p	+17.5	—	......
12months	751.5p	+17.5	—	......

LME—Turnover 84 (129) lots of 10,000 ozs. Morning: Three months 695, 94, 95, 96, 95, 93, 91, 93. Kerb: Three months 692. Afternoon: Three months 689, 90, 91, 92, 93, 95, 97, 96. Kerb: Three months 691, 93.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per kg. July 468.0, 470.0, 472.5-469.0, 457.0, 458.0-458.0; Dec. 460.0, 461.5, 461.0-459.0; March 464.0, 464.5, 466.0-464.5; May 465.0, 466.5, 466.5-465.0; July 467.0, 470.0, —, —; Oct. 467.0, 470.0, 468.0-467.0; Dec. 467.0, 467.5, 468.0-467.0. Sales: 189.

LONDON NEW ZEALAND CROSSBREDS—Close (in order, buyer, seller, business, sales). New Zealand cents per kilo. Aug. 360, 363, 362, 1; Oct. 360, 365, 364, 1; Dec. 364, 365, 367, 6; Jan. 364, 366, nil, nil; March 369, 373, nil, nil; May 374, 377, 372-371, 4; Aug. 375, 378, 376, 2; Oct. 376, 379, 378, 2; Dec. 376, 379, nil, nil. Sales: 21.

COCOA

A much more sedate day on the futures market today, following the activity of the previous two days. Trading within a narrow range, prices at the close were marginally lower than those of Tuesday evening. On physicals, consumers decided to withdraw, but producers again registered sales for both current and new crop positions, reported Gill and Duffus.

COCOA	Yesterd'ys Close	+ or −	Business Done
July	1055-59	−9	1062
Sep.	1078-80	−4.5	1084-70
Dec.	1120-21	−4	1128-14
March	1156-58	−10	1166-58
May	1173-82	−10.5	1180
July	1192-1200	−9.5	1302-1200
Sept.	1210-25	−11	1230

Sales: 1,836 (4,357) lots of 10 tonnes.

ICCO Indicator prices for July 15 (U.S. cents per pound): Daily 1976 157.00 (158.00). Indicator price for July 16: 15-day average 157.25 (158.25).

COFFEE

Robustas tumbled to within £15 of the recently established contract lows, as commission house selling sparked by a lower New York performance prompted early-afternoon weakness, reports Drexel Burnham Lambert. Prices staged a minor recovery but gradually eased, and the decline soon accelerated as stop-loss orders were triggered below chart-support levels.

COFFEE	yesterday's Close £ per tonne	+ or −	Business Done
July	1340-50	−60	1389-45
Sept	1381-83	−72	1450-1380
Nov	1405-10	−75	1477-05
January	1420-20	−74.5	1487-15
March	1380-1430	−48.5	1445-35
May	1400-40	−45	1480
July	1380-1440	−52.5	1490-50

Sales: 5,521 (4,322) lots of 100 tonnes.

ICO Indicator prices for July 15 (U.S. cents per pound): Other Mild Arabicas 168.00 (168.50); Robustas ICA 1976 157.00 (158.00); ICA 1968 157.25 (158.25); Unwashed Arabicas 207.50 (same). Comp. daily ICA 1968 181.42 (181.83).

GRAINS

LONDON GRAINS FUTURES—Grains opened 10p lower. Wheat options saw initial selling pressure, mainly on November at 35p lower. Buyers steadied values, and the market rallied in good commercial support in September to close steady to 10p higher. Barley values eased rapidly in the morning session at around 25p down. Buyers mainly in November turned the market and values closed steady with thin trade, 5-10p lower on the day, reports Acli.

	WHEAT Yesterday's close	+ or −	BARLEY Yesterday's close	+ or −
Sept.	96.15	+0.20	91.85	−0.05
Nov.	99.45	+0.10	95.65	−0.10
Jan.	103.40	—	99.50	−0.20
Mar.	106.80	−0.10	102.85	−0.15
May.	110.80	+0.05	106.25	−0.10

Business done—Wheat: Sept. 96.15-95.70, Nov. 99.50-99.20, Jan. 103.40-103.15, March 106.85-106.55, May 110.15-109.80. Barley: Sept. 91.70-91.80, Nov. 95.85-95.70, Jan. 99.60-99.50, March 103.00-102.95, May 106.25-106.15.

IMPORTED—Wheat: CWRS No. 1, 13½ per cent, unquoted. U.S. Dark Northern Spring No. 2, 14 per cent, July 100, Aug. 100.75, Sept. 102 transhipment East Coast. U.S. Hard Winter, 13½ per cent, July 84.75 transhipment East Coast. EEC unquoted. English feed fob Sept. 102.50, Oct./Dec. 103.50 East Coast. Maize: French Aug. 123.75 transhipment East Coast. South African White unquoted. South African Yellow July/Aug. 80. Barley: English feed fob Sept. 94.50, Oct. 97.25, Oct./Dec. 99.50 East Coast. Sorghum: Unquoted. Oats: Scandinavian feed unquoted.

HGCA—Locational ex-farm spot prices. Feed wheat: Eastern 120.00, E. Midlands 123.00, N. East 112.00.

RUBBER

The London physical market opened easier, with little interest throughout the day, closing on a slightly steadier note. Lewis and Peat reported a Malaysian godown price of 283.5 (286) cents a kg (buyer, August).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
Aug.	57.40-57.60	57.60-57.80	57.60
Sept.	58.40-59.00	58.60-58.80	—
Oct-Dec	60.60-60.60	60.70-60.90	60.80-59.70
Jan-Mar	63.70-63.80	64.10-64.20	64.20-63.20
Apr-Jne	66.80-66.90	67.10-67.20	66.80-66.40
Jly-Sept	68.40-69.50	69.60-69.90	69.40
Oct-Dec	71.80-72.00	72.10-72.20	—
Jan-Mar	74.30-74.40	74.60-74.70	74.00
Apl-June	76.90-77.30	77.40-77.60	77.70

Sales: 316 (253) lots of 15 tonnes. 1 (10) at 5 tonnes.

Physical closing prices (buyer) were: Spot 56.00p (56.50p); Aug. 61.00p (same). Sept. 61.00p (same).

SOYABEAN MEAL

The market opened £1.50-£2.00 lower on long liquidation over reports of rains in major bean growing areas, reports T. G. Roddick. Prices rallied from opening levels on lack of fresh selling, but late in the session renewed commission house pressure put the market on the defensive, and prices finished with losses of £2.00.

	Yesterday Close	+ or −	Business Done
	£ per tonne		
August	117.00-18.0	−1.25	117.50-17.00
October	117.60-18.0	−1.85	118.50-17.20
December	121.10-21.5	−1.30	123.00-20.30
February	124.00-24.5	−1.25	124.60-24.00
April	125.00-25.5	−2.00	126.10-25.00
June	125.00-29.0	−1.50	—
August	127.00-31.0	−1.50	—

Sales: 211 (594) lots of 5 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £255.00 (£274.00) a tonne cif for July-Aug. shipment. White sugar daily price was £296.00 (£312.00).

Heavy selling developed from one quarter which filled in all buying orders down to the £20 limit decline at the opening call. The market remained offered at limit during the morning, and on the reopening further losses of some £5 occurred. Later however, after the New York price also fell, by the 2 cents limit, London prices lost another £10, closing at the lows of the day some £20 below first traded levels, reported C. Czarnikow.

No. 4 Con-tract	Yest'rdays Close	Previous Close	Business Done
Aug.	[illegible]	[illegible]	[illegible]
Oct.	[illegible]	[illegible]	[illegible]
Dec.	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
Aug.	[illegible]	[illegible]	[illegible]
Oct.	[illegible]	[illegible]	[illegible]

Sales: 8,456 (7,409) lots of 50 tonnes.

No. 2 CONTRACT—Close (in order buyer, seller, business, sales). Aug. 266.00, 268.00, 284.00-264.00, 270; Oct. 285.50, 287.00, 318.00-285.00, 4,154. Sales: 4,424 (2,416).

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.6 (same) a tonne for home trade and £354.50 (£365.50) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for July 15: Daily price 27.62 (26.35); 15-day average 28.94 (29.24).

POTATOES

LONDON POTATO FUTURES—First trades were 150-250 down, but the market quickly recovered to values nearer unchanged, at which levels prices stayed for the rest of the day. Some buying interest was apparent at the close, mainly on the forward positions, reported Coley and Harper. Closing prices: Nov. 40.30, −20 (high 40.20, low 39.00); Feb. 47.20, −20 (high 47.00, low 46.60); April 53.30, +30 (high 54.00, low 51.50). Turnover: 30 lots.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 232 tonnes, bringing the total for the week so far to 515 tonnes. More demand developed, with activity in specialist grades. Scattered operations took place in certain African and South American qualities.

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £5.00-£5.50, Codlings £2.50-£3.30. Haddock large £3.50-£5.80, medium £3.80-£4.30, small £2.50-£3.20. Plaice (large) £5.80, medium £4.80-£5.80, best small £3.40-£4.20. Skinned Dogfish (large) £9.50, medium £7.40. Lemon Soles (large) £7.00, medium £6.50. Rockfish £2.80. Saithe £1.80-£2.30.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on July 16. GB—Cattle 74.68p per kg liveweight (−1.78). UK—Sheep 132.3p per kg edcw (−1.07). GB—Pigs 67.5p per kg liveweight (−0.26).

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 63.2 to 67.5; Eire hindquarters 73.8 to 77.2, forequarters 42.5 to 44.0. Lamb: English small 59.2 to 64.2, medium 58.2 to 61.2, heavy 58.2 to 59.8; Imported frozen: New Zealand PL 61.5 to 62.0, PM 57.0 to 58.5. Pork: English, under 100 lb 42.0 to 49.0, 100-120 lb 40.0 to 47.5, 120-160 lb 39.0 to 45.5.

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported Produce: Oranges—Brazilian: Navels 3.30-4.40; Moroccan: 54/113's 3.80-4.40; Cyprus: Valencia Lates 2.20-3.00; Californian Sunkist: Valencia Lates 72/113's 4.50-5.50; Outspan: Navels 3.40-4.95. Lemons—Italian: 100/150's 4.50-5.50; Spanish: Trays 25/45's 2.00-2.50, boxes 4.80-6.20; S. African: 6.00-6.50. Grapefruit—Outspan: 4.00-4.50. Apples—New Zealand: Red Dougherty 12.00; Tasmanian: Granny Smith 11.80, Sturmer Pippins 11.40; S. African: Golden Delicious 11.50-11.80, Granny Smith 11.60-12.00; Dutch: 22 lb Golden Delicious 4.00; French: 40-lb boxes, Golden Delicious 138/198's 9.50-11.00, 20 lb 5.00-5.30; Italian: Jonathans/Romes 40 lb 9.50. Pears—Spanish: Morettini per pound 0.20-0.22; Victorian: Josephines 12.00, Packhams 12.00; Chilean: Winter Nelis 9.00-10.00. Peaches—Italian: 1½ trays 2.20-3.60; French: 2.20-2.40. Plums—Spanish: Red 1.80-3.00, Gaviota boxes 2.80-3.40, Burbanks boxes 1.80-2.00; Italian: Florentias 20 lb 3.00. Apricots—Spanish: 2.80-3.40. Grapes—Per pound Cyprus: Cardinal 0.50, Perlette 0.60, Sultana 0.65; Portuguese: Cardinal 0.40; Israeli: Perlette per box 5.25. Melons—Spanish: Yellow 3.00-4.00; Cantaloupe 2.80-3.40, Ogen 3.50-4.00; Cyprus: Water 4.50-5.00. Bananas—Jamaican: 28 lb per pound 0.17. Tomatoes—Dutch: 3.00; Guernsey: 2.80-3.20; Jersey: 2.80; French: 2.50. Onions—Spanish: 5.80-6.50. Potatoes—Cyprus: New crop 20 kg 4.00; Jersey: 4.95. Beetroots—Cyprus: New crop, approx. 28 lb 1.40. Cabbages—Dutch: White 2.60-3.20. Courgettes—French: Per pound 0.20-0.25. Capsicums—Dutch: 3.40; Italian: 3.00; Spanish: 3.00.

English Produce: Potatoes—Per bag, new 2.00-2.20. Mushrooms—Per pound 0.50-0.70. Apples—Per pound Bramley 0.15-0.24. Strawberries—English, per ½ lb 0.20-0.25. Cabbages—Per bag 1.00. Cauliflowers—Per 12's English 1.60-2.40. Peas—Per pound 0.15-0.16. Broad Beans—Per pound 0.09-0.10. Beetroots—Per bag 1.60. Cucumbers—Trays 10/20's 1.50-1.80. Tomatoes—Per 12 lb 2.60-2.80. Lettuce—Per 12 round 0.80, Cos 1.00, Webbs 1.00. Carrots—New crop 28 lb 2.80-3.20. Rhubarb—Per pound, outdoor 0.05-0.07. Onions—Per bag 5.50-6.00. Celery—English 12/20's 1.20-1.50. Gooseberries—Per pound 0.15-0.18. Leveller 0.25-0.26. Cherries—Per pound 0.60. Marrows—Each 0.25. Capsicums—Per pound 0.30.

PRICE CHANGES

In tonnes unless otherwise stated.

	July 16 1980	+ or −	Month ago
Metals			
Aluminium	£810/815	......	£810/815
Free Mkt	$1770/1730	+50	$1635/55
Copper			
Cas w'bar	£904.25	−3	£851
3 mths	£925.75	−4	£876.25
Cash Cathode	£881.5	−4	£821
3 mths	£903	−4.5	£851.5
Gold troy oz	$625.5	+5	$604.5
Lead Cash	£321.5		£313.5
3 mths	£331.5	+.5	£321.25
Nickel	£2,246.55		£2,246.55
Free mkt (cif) lb	265/310c		275/300c
Platin'm tr'y oz	£182.50		£182.50
Free mkt	£278.30	+5.55	£278.65
Quicksilver	$395/405	−5	$375/385
Silver troy oz	673.00p	+15.6	677.0p
3 mths	688.00p	+15.8	704.20p
Tin Cash	£7,120	+80	£7,305
3 mths	£7,135	+80	£7,312.5
Tungsten 22.04lb	$143.85		$159.82
Wolfr'm 22.04lb	$145/149		$143/145
Zinc cash	£292.5	−3	£291.5
3 months	£303	−4.25	£302.75
Producers	$780		$780
Oils			
Coconut (Phil.)	$660		$650u
Groundnut			£412
Linseed Crude			
Palm Malayan	$580	−5	$560
Seeds			
Copra Philip	$470	+10	$450
Soyabean (U.S.)	$322.40	+5.45	$267.5x
Grains			
Barley Futures	£95.85	−0.10	£96.40
Maize French No3 AM			£119.50
Wheat			
No. 1 Red Spg			
No2 Hard Wint			
Eng. Milling			
Other commodities			
Cocoa ship't	£1,118	−5	£1,170
Future Sept.	£1,079	−4.5	£1,114.5
Coffee Ft Sept.	£1,382	−72	£1,585.5
Cotton A Index	87.50c	+0.65	85.45c
Rubber (kilo)	56.00p		58.50p
Sugar (Raw)	£255	−19	£215
Woolt'ps 64s kl	290p kilo		285p kilo

u July-Aug. z Indicator. s Sept. y Buyer. w Aug. x July. ‡ Per 75-lb flask.

EUROPEAN MARKETS

ROTTERDAM, July 16.

Wheat—U.S. No. 2 Dark Hard Winter 13.5 per cent, July 204. U.S. No. 2 Red Winter July 185, Aug. 187, Sept. 189. U.S. No. 2 Northern Spring, 14 per cent, July 215.50, Aug. 215, Sept. 216, Oct. 219, Nov. 223, Dec. 229.

Maize—U.S. No. 3 Corn Yellow July 154, Aug. 156, Sept. 156, Oct.-Dec. 162.00, Jan-March 169.50.

Soyabeans—U.S. Yellow Two Gulfports July 315, Aug. 316, Sept. 322, Oct. 325, Nov. 325.50, Dec. 329.70, Jan. 333.40, Feb. 337.90, March 340.40. Argentine Aug. 313.

Soyameal—44 per cent protein U.S. July 258, Aug. 260, Sept. 262, Oct. 268, Nov.-March 278. Brazil Pellets July 267, Aug. 274, Sept. 275, Oct. 281, Nov.-March 289.

PARIS, July 16.

Sugar (FFr per 100 kilos)—Aug. expired, Oct. 2760-2765, Nov. 2820, Dec. 2860-2865, March 3010-3050, May 2990, July 2980, Aug. 2970, Oct. 2950. Sales at call: 3.

INDICES

FINANCIAL TIMES

July 15	July 14	Mnth ago	Year ago
274.18	276.30	264.99	285.68

(Base: July 1, 1952=100)

MOODY'S

July 15	July 14	M'nth ago	Year ago
1176.8	1172.8	1127.8	1085.6

(December 31, 1931=100)

DOW JONES

Dow Jones	July 15	July 14	Month ago	Year ago
Spot	432.21	429.52	427.64	409.85
F'tur s	452.78	450.42	458.87	422.22

(Average 1924-25-26=100)

REUTERS

July 16	July 15	M'nth ago	Year ago
1686.4	1695.8	1666.5	1561.4

(Base: September 18, 1931=100)

British conductors on new stamps

THE POST OFFICE will issue a special set of stamps on September 10 featuring four of Britain's most revered conductors—Sir Henry Wood, Sir Thomas Beecham, Sir Malcolm Sargent and Sir John Barbirolli. The set of stamps depicting them has been designed by Mr. Peter Gauld, who also designed for the Post Office the European Architectural Heritage Year issue in 1975 and several air-letters.

The 12p stamp shows Sir Henry Wood (1869-1944), the founder of London's Promenade Concerts. The 13½p stamp shows Sir Thomas Beecham (1879-1961), who devoted his life to music founding both the London Philharmonic and the Royal Philharmonic Orchestras. The 15p stamp shows Sir Malcolm Sargent (1895-1967) who was renowned for his work with choirs and for introducing thousands of youngsters to serious music.

Sarawak pepper exports up

KUALA LUMPUR—Sarawak pepper exports rose to 3,066 tonnes in January worth 12.21m ringgit (£2.44m) from 2,219 tonnes in December worth 8.43m ringgit and 2,084 tonnes worth 8.48m in January 1979, the Pepper Marketing Board said.

January exports this year were aided by a reduction in export duty coupled with a small price recovery.

In January, Singapore took 2,345 tonnes, Japan 292, West Germany 96, UK 51, U.S. 204, and other countries 78 tonnes.

Reuter

Palm oil duty

KUALA LUMPUR—Malaysia has urged Japan to reduce its import duty on palm oil and processed timber imports from Malaysia.

Malaysia's Primary Industries Minister, Datuk Paul Leong, made the request to visiting Japanese Deputy Foreign Minister, Keyoaki Kikichi.

Processed timber accounts for 48.3 per cent of Malaysia's exports to Japan and that country has emerged as a big market for Malaysian palm oil. Japan is expected to import up to 200,000 tonnes this year compared with 140,000 tonnes in 1979.

Activity broadens as equity index pierces 500 mark
Sustained Gilt demand exhausts medium tap stock

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
June 30	July 10	July 11	July 21
July 14	July 24	July 25	Aug. 4
July 28	Aug. 7	Aug. 8	Aug. 18

* "New time" dealings may take place from 9 am two business days earlier.

The FT index breakthrough of the psychologically important 500 mark soon after the opening yesterday signalled a distinct expansion in trade throughout the equity sectors. Second-line industrials came into their own and sustained demand soon disclosed an underlying stock shortage which led to many double-figure gains. Leading shares, too, encountered renewed buying which absorbed increased selling, part of which was triggered by some chartists' advice to take profits once the index settled above 500.

Gilt-edged securities continued to lead the rise with renewed foreign and domestic institutional support exhausting official supplies of the medium tap stock, Treasury 12 per cent 1987; the Government broker sold supplies at 20¼ and ran out later at 20⅜, just five days after the stock was issued at £96, £20-paid. Other medium- and longer-dated Gilts opened at Tuesday's enhanced late levels and rose further to close with gains extending to 1¼ on the previous day's 3.30 pm close, although the rises were pared after-hours to around ¾. The shorts were more impressive yesterday after lagging behind recently and gained a maximum of 15/16.

The second successive monthly surplus in the UK trade balance underpinned sentiment throughout markets which also derived encouragement from the Chancellor's comments about a new mood of realism on pay. Speculation about another cut soon, perhaps today, in Minimum Lending Rate was probably the overriding stimulant. Midday Press reports about **British Petroleum's** and **ICI's** chemical businesses passing through a particularly lean spell had little lasting impact on the shares of either concern.

Sectors worthy of mention included Properties which traded in lively fashion following the bid approach to **County and District**, up 55 at 210p. Meanwhile, Banks recovered strongly from Tuesday's low levels thanks to a favourable reception of **Midland's** proposed deal to acquire a controlling interest in Crocker National; Midland regained all of that day's fall and more to close 26 higher at 378p. Measuring the feel of equities, the 30-share index was 4.4 higher at noon and finally a net 3.3 up at 503.1, while the FT-Actuaries All-Share index attained its best ever level at 286.58. The FT Government Securities index gained 0.64 to 71.71 for a rise of 4.60, nearly 7 per cent, since the beginning of last month.

Increased activity in the Traded Options market saw the number of contracts completed rise to 2,047 from 1,125 the previous day and only 819 on Monday. Shell were particularly active, recording 470 deals.

Rolfe and Nolan Computer Services staged a quiet debut in the unlisted securities market; from an opening level of 67p, the shares touched 78p before stag selling left the close at 70p compared with the placing price of 51p.

Comment on the banks' planned acquisition of a 57 per cent stake in Crocker National Bank of California for £346m prompted a strong rally in **Midland** which, after Tuesday's drop of 18, rebounded 26 to 378p in active trading. The other major clearers also moved sharply higher as buyers found stock in short supply. **Barclays** jumped 22 to 420p and **Lloyds** 17 to 347p, after 348p; the latter's interim results are due tomorrow. **Bank of Scotland** improved 11 to 276p and **NatWest** gained 8 to 378p. Already firm in sympathy with a rising gilt market, Discount Houses were given a further boost by Union's encouraging interim statement; **Union** closed 15 to the good at 470p, while **Gerrard and National** advanced 12 to 272p and **Alexanders** 10 to 258p. Hopes of a further reduction in Minimum Lending Rate helped Hire Purchases gain ground. Improvements of 6 and 8 respectively were seen in **Lloyds and Scottish**, 172p, and **Provident Financial**, 142p. Firm merchant banks were featured by a rise of 17 to 220p in **Mercury Securities**, while **Hambros** added 7 to 517p, after 530p.

Against the firm trend in Insurances, **Hambro Life** softened 7 to 255p, after 270p, following the group's new life premium figures for the half-year. **Equity and Law**, however, gained 14 to 278p and **Britannic** improved 10 to 234p.

Breweries continued to edge a little higher in quiet trading. Awaiting today's preliminary figures, **Distillers** firmed afresh to 220p before easing on profit-taking to close without alteration at 217p.

Building issues made another good showing. **Blue Circle** firmed 4 to 386p, **BPB** 6 to 240p, **Tarmac** 9 to 258p and **Ready Mixed Concrete** 7 to a 1980 peak of 189p. Among Contracting and Construction issues, **Wimpey**, 91p, and **Costain**, 196p, both rose 4, while **Taylor Woodrow** added 8 to 431p. The Timber sector featured **International** which revived with a gain of 6 at 112p. Housebuilders met support on hopes of lower interest rates with **Gough Cooper** rising 5 to 70p and **Barratt Developments** firming 4 to 117p. An investment recommendation lifted **Bryant** 5 to 67p.

ICI touched 384p in early dealings, but slipped to 378p on adverse Press comment before closing 2 firmer on balance at 382p. **Fisons** rose 10 to 257p on the announcement that the company is to merge its agrochemical interests with **Boots**, a penny cheaper at 215p. Recently dull **Anchor Chemical** rallied 4 to 64p.

Gussies firm

A rather lethargic Store sector was featured by a rise of 8 to 434p in **Gussies A** on demand ahead of today's preliminary results.

Trading in the Electrical leaders became more two-way after an initial flurry of buying. **GEC** continued to make progress, closing 6 to the good at 476p, after 478p, while **Plessey** closed a penny firmer at 219p, after 221p. Fresh gains in secondary issues were sometimes accentuated by stock shortage. **Electrocomponents** were again well to the fore with a fresh advance of 18 to 643p, while gains of around 10 were common to **Telephone Rentals**, 280p, **Unitech**, 337p, and **Forward Technology**, 122p.

Selective buying interest left the Engineering sector with scattered useful gains. **Hawker** were prominent in the leaders with a further improvement of 10 to 244p, while **Tubes** closed 4 dearer at 286p, after 288p, and **Vickers** finished a similar amount firmer at 141p. Continued demand lifted **Mining Supplies** 7 further to 132p, while **Braithwaite** were also noteworthy for a rise of 8 to 90p. **Westland** moved up 7 to 111p, while **Folkes Hefo n/v** responded to an investment recommendation by rising 3 to 30p.

Foods reflected the general market trend, **J. Sainsbury** adding 5 more to a 1980 peak of 425p and **Associated Dairies** gaining 4 to 184p. **Linfood** rose 5 to 155p, while **Hillards** put on 8 for a two-day gain of 14 to 146p in a thin market. A good market on Monday on favourable Press comment, **Batleys of Yorkshire** added 3 more to 53p.

Pritchard Services ended 5½ up at 69½p, after 72½p, following stockbrokers' Carr Sebag's successful acquisition of 1.9m shares in the group on behalf of Provincial Limited and Michael A. Ashcroft Holdings to raise their combined stake to just over 20 per cent. Other laundry and dry cleaning issues rose in sympathy with **Sunlight Services** closing 5 up at 63p and **Sketchley** 4 dearer at 275p, after 277p. **Spring Grove** appreciated 3 to 94p as did **Brengreen**, to 29p, and **Initial Services**, to 149p.

Among other firm secondary miscellaneous industrials, rises of 30 to 45 respectively were seen in **De La Rue**, 815p, and **Diploma Investments**, 530p, with stock shortage a major factor behind the smart rises. The maintained dividend outweighed news of the reduced interim profits and left **Gestetner A** 4 better at 73p, while **Western Board Mills** added 3 to 98p, after 100p, on increased annual earnings. Hopes that the company will be awarded the £150m Inland Revenue computer contract helped **ICL** improve 5 to 174p, after 180p, while **Bestobell** added 6 afresh to 298p on revived hopes of a second bid from **BTR**, 7 harder at 373p. **Norcros** improved 4 to 76½p on a broker's favourable circular and **Sothebys**, at 460p, retrieved 17 of the recent sharp fall which followed last week's disappointing interim statement. **Pilkington** added 10 to 262p among the leaders where **Rank Organisation** picked up 6 to 180p from the depressed level which followed Monday's poor first-half profits statement.

Firm spots in the Leisure sector included **Associated**, 2 higher at a 1980 peak of 101p and **Norton and Wright**, 5 dearer at 93p.

Motor Components had two notably good markets in **Lucas** and **Dowty**, the former firming 8 to 215p and the latter, aggravated by stock shortage, raised 16 to 252p. Down 5 on Tuesday on Foden's demise, fellow commercial vehicle manufacturer **ERF** rallied 3 to 65p; the anouncement that the company is to lay off 95 staff made no apparent impact. Garages traded firmly throughout, **Lex** and **Henlys** hardening 2 apiece to 75p and 83p respectively.

Although **Associated Newspapers'** interim results were generally well received, the Board's warning about second-half prospects restricted the rise in the price to 4 at 311p. Up to 518p awaiting the half-yearly results, **Daily Mail A** gave ground on the announcement and closed only a net 3 higher at 503p.

Already 18 firmer at 178p, **County and District** jumped to 225p before closing a net 55 higher at 210p on the announcement that the company is engaged in talks which may lead to an offer; **Newarthill**, which holds a 22.5 per cent stake in County and District through Sir Robert McAlpine, rose 8 to 258p. Other Properties made useful progress under the lead of **Land Securities** which gained 8 to 363p. **MEPC** firmed 4 to 224p and **Great Portland Estates** 8 to 280p. Elsewhere, gains of around 9 were marked against **North British Properties**, 141p, and **Fairview Estates**, 292p, while **Warnford Estates** firmed 15 to 435p, the last-named in a thin market. Other notable rises included **M. P. Kent** and **A. and J. Mucklow**, both 6 to the good at 68p and 183p respectively.

Candecca above worst

Oil shares took on a rather mixed appearance. Among the exploration issues, **Candecca** reacted to 175p in response to the Lockton East drilling report, but rallied well to close only 4 cheaper on balance at 186p **Clyde** recovered 15 more to 510p and **Carless Capel** 6 to 137p, but **Sovereign Oil and Gas** eased 5 to 250p. Elsewhere, **Tricentrol** found support and put on 10 to 370p. **BP** finished a few pence cheaper at 356p, but **Shell** again attracted buyers and rose 10 further to 426p.

Reflecting the good performance in the equity sectors, Trusts made headway on a broad front. News of the proposed unitisation left **Murray Minor Investment** Ordinary and B shares 16 and 18 higher respectively at the common price of 99p.

Shipping shares came to life after the recent spell of inactivity. Buyers showed interest in **P and O Deferred** which advanced 5 to 135p and **British and Commonwealth**, 9 to the good at 352p. **Ocean Transport** were also favoured at 125½p, up 3.

Golds rally

Mining markets staged a good rally as the bullion price recovered from an initial $603 an ounce to touch $630 before closing a net $5 up at $625.50.

Prices of South African golds were initially marked down, reflecting heavy selling in overnight American markets, but subsequently rallied strongly in the wake of persistent buying, notably from Johannesburg.

Profit-taking late in the day was well absorbed and most issues closed only a fraction below the day's best. The Gold Mines index put on 4.0 to 353.9.

Recently dull Australians moved ahead across a broad front led by Golds and oil-share stocks. Among the former, **Poseidon** regained 12 to 208p, after 209p, **GMK** 15 to 424p, **North Kalgurli** 10 to 89p and **Whim Creek** 2 to 97p. **Samantha** put on 7 to 85p and **Samson** 4 to 52p despite news that Getty Oil has pulled out of the Mount Rawdon gold joint venture in Queensland.

The oil-shale issues were featured by **Greenvale** and **Esperance** which jumped 40 apiece to 340p and 290p respectively. **Strata Oil** touched 147p before closing 2 cheaper on balance at 142p.

Haoma came under pressure in late trading and closed a penny easier at 196p, after a record high of 204p, following the results of the Lockton East well in Yorkshire. **North West Mining**, involved with Haoma in the Yorkshire well, fell 3 to 173p, after a peak 178p.

Elsewhere, the Cornish tin producer **South Crofty** jumped 9 to 34p reflecting rumours of a possible bid for St. Piran.

FINANCIAL TIMES STOCK INDICES

—	July 16	July 15	July 14	July 11	July 10	July 9	A year ago
Government Secs.	71.71	71.07	70.61	70.73	70.71	70.75	73.37
Fixed Interest	72.55	72.24	72.05	71.96	71.92	71.56	74.79
Industrial	503.1	499.8	489.7	493.0	489.4	493.0	472.8
Gold Mines	353.9	349.9	365.2	366.8	361.7	369.2	171.0
Ord. Div. Yield	7.22	7.28	7.46	7.37	7.40	7.36	6.71
Earnings, Yld. % (full)	17.49	17.63	18.07	17.89	18.00	17.90	15.91
P/E Ratio (net) (*)	6.90	6.85	6.68	6.78	6.74	6.77	7.49
Total bargains	28,824	26,358	26,178	27,636	25,426	26,935	—
Equity turnover £m.	—	140.24	114.36	150.71	167.71	130.99	85.69
Equity bargains total	—	20,988	21,594	20,865	21,194	20,100	13,095

10 am 503.0. 11 am 503.2. Noon 504.2. 1 pm 502.5.
2 pm 502.9. 3 pm 502.9.

Latest Index 01-246 8026.

*Nil=5.44.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	71.71 (16/7)	63.85 (7/3)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.55 (16/7)	64.70 (10/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	503.1 (16/7)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	377.9 (29/2)	265.5 (18/3)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	July 16	July 15
Daily		
Gilt Edged	139.5	120.1
Industrials	144.2	126.1
Speculative	38.8	44.5
Totals	98.1	87.0
5-day Avge.		
Gilt Edged	125.0	117.5
Industrials	134.2	134.8
Speculative	44.1	46.5
Totals	90.7	90.4

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (367)

BRITISH FUNDS (63)
CORPORATION LOANS (12)
COM'WEALTH & AFRICAN LOANS (2)
LOANS (9)
FOREIGN BONDS (1)
AMERICANS (2)
BANKS (20)
BEERS (2)
BUILDINGS (15)
CHEMICALS (2)
DRAPERY & STORES (1)
ELECTRICALS (19)
ENGINEERING (13)
FOODS (5)
HOTELS (1)
INDUSTRIALS (40)
INSURANCE (11)
LEISURE (1)
MOTORS (3)
NEWSPAPERS (2)
PROPERTY (43)
SHIPPING (5)
SHOES (1)
TEXTILES (6)
TRUSTS (80)
OIL & GAS (2)
OVERSEAS TRADERS (5)
MINES (3)

NEW LOWS (9)

BUILDING (1)
Sheffield Brick
CHEMICALS (1)
British Benzol
ELECTRICALS (1)
Jones Stroud
INDUSTRIALS (3)
Black (P.) — Duple Intl.
Burns Anderson
MINES (3)
Minorco — Cons. Murchison
Pengkalen

YESTERDAY RISES AND FALLS

	Up	Down	Same
British Funds	87	1	3
Corpns. Dom. and Foreign Bonds	35	—	31
Industrials	438	120	836
Financial and Prop.	306	22	188
Oils	23	16	15
Plantations	3	7	18
Mines	59	39	80
Others	41	43	38
Totals	992	248	1,209

LEADERS AND LAGGARDS

Merchant Banks	+47.90	Industrial Group	+21.77
Mining Finance	+47.84	Other Groups	+21.35
Insurance (Life)	+46.57	Pharmaceutical Products	+20.46
Hire Purchase	+45.71	500-Share Index	+20.33
Electricals	+43.75	Packaging and Paper	+20.03
Shipping	+40.90	Consumer Goods (Non-Durable)	+19.55
Electronics, Radio and TV	+36.20	Stores	+18.70
Property	+35.38	Metal and Metal Forming	+17.96
Investment Trusts	+34.20	Breweries	+16.95
Building Materials	+31.58	Chemicals	+16.12
Capital Goods Group	+30.36	Oils	+15.93
Gold Mines FT	+30.27	Newspapers and Publishing	+15.07
Insurance Brokers	+29.56	Food Manufacturing	+14.72
Insurance (Composite)	+27.76	Engineering Contractors	+14.43
Entertainment and Catering	+27.16	Food Retailing	+13.24
Financial Group	+26.19	Tobaccos	+12.53
Contracting and Construction	+26.03	Textiles	+11.88
All-Share Index	+23.03	Wines and Spirits	+ 9.50
Discount Houses	+22.69	Banks	+ 7.29
Consumer Goods (Durable) Group	+22.52	Office and Equipment	+ 2.14
Overseas Traders	+22.30	Motors and Distributors	− 1.60
Mechanical Engineering	+22.14	Household Goods	−11.31
		Toys and Games	−41.21

Percentage changes since December 31, 1979, based on Tuesday, July 15.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section	Wed., July 16, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues., July 15 Index No.	Mon., July 14 Index No.	Fri., July 11 Index No.	Thurs., July 10 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	283.32	+1.8	16.36	5.79	7.41	278.21	272.16	271.95	272.64	242.90
2	Building Materials (28)	266.57	+2.2	17.28	6.29	6.79	260.78	257.37	257.97	258.49	225.24
3	Contracting, Construction (27)	418.41	+2.2	22.06	5.85	5.41	409.26	405.51	406.64	403.88	358.19
4	Electricals (16)	800.27	+1.3	13.35	3.26	10.04	790.14	759.50	757.95	759.60	587.33
5	Engineering Contractors (11)	332.16	+0.9	20.44	7.80	6.13	329.20	329.94	327.21	328.91	384.59
6	Mechanical Engineering (74)	187.67	+2.6	16.95	7.06	7.23	182.94	180.46	179.50	180.17	179.36
8	Metals and Metal Forming (16)	173.04	+1.2	20.89	9.81	5.74	170.93	168.11	169.32	170.81	166.23
11	CONSUMER GOODS (DURABLE) (49)	235.23	+0.8	14.13	5.55	8.56	233.26	229.82	229.38	228.73	227.31
12	Lt. Electronics, Radio, TV (14)	351.10	+0.6	11.04	4.02	11.21	348.86	342.28	340.13	338.92	315.44
13	Household Goods (14)	103.41	+0.2	23.43	10.22	5.39	103.23	102.39	101.81	102.16	154.95
14	Motors and Distributors (21)	103.64	+1.6	22.13	9.49	5.22	101.96	101.69	102.99	102.81	113.29
21	CONSUMER GOODS (NON DURABLES) (172)	239.72	+0.6	17.21	6.70	7.02	238.28	236.29	237.02	237.78	233.74
22	Breweries (14)	305.05	+0.9	14.86	6.04	7.86	302.27	300.93	304.48	304.29	275.83
23	Wines and Spirits (5)	321.28	+0.1	16.95	5.81	7.27	320.98	317.33	317.73	320.09	309.57
24	Entertainment, Catering (17)	347.82	—	16.60	6.43	7.47	347.73	342.30	342.90	345.93	309.63
25	Food Manufacturers (21)	219.08	+0.4	18.41	6.81	6.40	218.18	216.66	214.77	216.36	200.10
26	Food Retailing (13)	338.54	+1.7	12.44	4.67	9.60	333.01	329.50	328.15	330.48	302.16
32	Newspapers, Publishing (13)	448.63	+1.5	21.28	6.52	6.35	442.08	440.97	445.54	452.81	408.60
33	Packaging and Paper (15)	140.38	+1.5	25.45	9.33	4.57	138.33	137.86	138.11	136.52	121.56
34	Stores (45)	227.70	+0.3	13.87	5.48	9.26	226.91	224.17	225.75	225.30	243.74
35	Textiles (21)	140.43	—	23.57	11.25	5.17	140.49	140.52	139.88	140.24	158.95
36	Tobaccos (3)	226.55	+1.2	25.33	10.28	4.49	223.90	223.41	226.37	229.25	233.30
37	Toys and Games (5)	27.63	−1.3	44.01	13.80	2.63	27.98	27.84	27.15	27.30	69.02
41	OTHER GROUPS (99)	230.49	+1.5	15.95	6.70	7.45	227.14	223.83	226.86	227.01	199.67
42	Chemicals (16)	325.72	+1.0	19.05	7.40	6.02	322.47	313.64	322.63	322.83	274.71
43	Pharmaceutical Products (7)	234.77	+0.4	10.78	5.90	11.47	233.73	228.88	232.44	229.87	215.28
44	Office Equipment (6)	109.53	+3.3	18.49	7.57	6.31	105.99	107.80	112.19	113.16	119.33
45	Shipping (10)	610.62	+2.2	12.57	5.78	9.70	597.57	595.07	590.53	585.34	473.12
46	Miscellaneous (60)	283.30	+2.0	15.76	6.46	7.76	277.67	275.82	275.56	277.13	239.99
49	INDUSTRIAL GROUP (492)	255.84	+1.2	16.48	6.37	7.31	252.92	249.41	250.46	250.95	234.42
51	Oils (8)	813.74	+0.8	28.38	6.33	3.89	807.34	784.74	790.98	797.03	639.14
59	500 SHARE INDEX	300.08	+1.1	18.90	6.36	6.20	296.87	291.89	293.34	294.25	267.20
61	FINANCIAL GROUP (118)	235.25	+2.2	—	5.34	—	230.12	228.76	228.24	228.78	192.40
62	Banks (6)	247.68	+4.8	39.39	6.56	3.11	236.39	241.25	240.21	239.84	239.71
63	Discount Houses (10)	277.56	+3.2	—	6.39	—	269.06	269.54	270.62	270.47	262.00
64	Hire Purchase (5)	249.03	+3.4	12.55	4.02	10.35	240.91	238.39	238.17	238.49	167.15
65	Insurance (Life) (10)	231.85	+1.2	—	5.49	—	229.21	223.84	222.64	223.17	153.94
66	Insurance (Composite) (9)	156.78	+0.9	—	6.86	—	155.44	152.76	152.78	153.27	121.94
67	Insurance Brokers (9)	344.37	−0.7	13.49	6.65	10.18	346.64	334.46	331.91	334.70	242.34
68	Merchant Banks (13)	137.11	+3.3	—	4.91	—	132.74	131.41	131.61	133.62	98.74
69	Property (45)	437.12	+1.9	3.21	2.65	43.84	428.78	425.64	425.20	426.13	358.24
70	Miscellaneous (11)	141.22	+1.3	15.56	6.18	8.16	139.42	139.13	138.83	139.22	123.73
71	Investment Trusts (109)	262.64	+1.7	—	5.34	—	258.33	257.26	258.50	261.12	205.98
81	Mining Finance (4)	244.01	+1.9	11.06	4.04	10.90	239.42	240.81	244.34	244.69	117.89
91	Overseas Traders (19)	413.94	+1.8	11.84	6.76	10.28	406.52	407.06	404.88	405.24	332.98
99	ALL-SHARE INDEX (750)	286.58	+1.4	—	6.05	—	282.71	279.06	280.09	281.01	245.27

FIXED INTEREST PRICE INDICES

	British Government	Wed., July 16	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	106.51	+0.46	0.38	6.05
2	5-15 years	114.57	+0.92	0.69	7.67
3	Over 15 years	120.80	+1.02	—	7.61
4	Irredeemables	134.37	+1.31	—	7.24
5	All stocks	113.65	+0.82	0.31	6.98

FIXED INTEREST YIELDS
British Govt. Av. Gross Red.

			Wed., July 16	Tues., July 15	Year ago (approx.)
1	Low Coupons	5 years	11.30	11.41	10.14
2		15 years	11.27	11.37	10.57
3		25 years	11.27	11.37	11.00
4	Medium Coupons	5 years	12.68	12.89	12.11
5		15 years	12.65	12.81	12.08
6		25 years	12.60	12.74	12.03
7	High Coupons	5 years	12.78	12.97	12.31
8		15 years	13.04	13.19	12.48
9		25 years	12.95	13.10	12.39
10	Irredeemables		10.94	11.08	10.49

		Wed'day July 16 Index No.	Wed'day July 16 Yield %	Tues. July 15	Mon. July 14	Fri. July 11	Thurs. July 10	Wed. July 9	Tues. July 8	Mon. July 7	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	54.10	15.70	53.83	53.80	53.65	53.39	53.33	53.35	53.19	57.56
16	Investment Trust Prefs. (15)	49.71	15.63	49.71	49.71	49.71	49.97	49.97	49.97	49.97	52.64
17	Coml. and Indl. Prefs. (20)	65.34	13.74	65.30	65.25	65.25	65.06	64.67	64.61	64.50	69.96

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 25p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
Midland Bank	£1	15	378	+26	383	308
Barclays Bank	£1	9	420	+22	420	327
ICI	£1	9	382	+ 2	402	348
Assoc. Dairies	25p	8	184	+ 4	194	160
IMI	25p	8	64	+ 3	64	43
Pritchard Servcs.	5p	8	69½	+ 5½	72½	32½
Carless Capel	10p	7	137	+ 6	152	68
Finlay (James)	25p	7	103	—	108	68
Hampton Tst.	5p	7	67	+ 3	67	15
Premier Cons.	5p	7	93	− 1	109	39½
RTZ	25p	7	460	+ 9	485	327
Westland Aircrft.	25p	7	111	+ 7	111	55½
Europn. Ferries	25p	6	191	+ 2	191	98
Inchcape	£1	6	423	+ 8	423	308
Rank Orgn.	25p	6	180	+ 6	228	168

OPTIONS

First Dealing	Last Dealing	Last Declaration	For Settlement
Jul. 7	Jul. 18	Oct. 9	Oct. 20
Jul. 21	Aug. 1	Oct. 23	Nov. 3
Aug. 4	Aug. 15	Nov. 6	Nov. 17

For rate indications see end of Share Information Service

Money was given for the call of Premier Consolidated, First National Finance, Hampton Trust, Lonrho, UDT, Lasmo, Ultramar, John Brown, Town and City, Hambros Life, Western Mining, Airfix, Marks and Spencer and Erskine House. Thorn EMI and Harris Queensway were dealt in for the put, while doubl eoptions were arranged in Silvermines, Hampton Trust and GEC.

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p:	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P.E. Ratio
‡38½	F.P.	—	100	85	Energy Capital 1½p	86	−4	—	—	—	—
55	F.P.	20/6	90	74	Home Farm Prods 10p	90	......	b2.9	2.5	4.6	12.3
—	F.P.	—	9	3	††Jenkin & Pursor	7½	−½	—	—	—	—
§83	F.P.	27/6	91	79	Oakwood Group	81	+1	b6.5	2.4	11.5	5.2
100	F.P.	27/6	110	91	Peerless	91	......	b6.3	2.8	9.9	4.5
§51	F.P.	—	78	67	††Rolfe & Nolan 10p	70	......	t1.0	3.5	2.0	19.8
§80	F.P.	—	112	106	††S.P.O. Minerals 10p	106	......	—	—	—	—

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price £	+ or −
‖	Nil	23/7	14pm	9¼pm	British Home Stores 9% Cnv. Ln. '92	14pm	+2
**	F.P.	22/8	101	95	Cowie (T.) 10½% Conv. Red. Cum. Pref.	95	......
100	F.P.	—	100½	100	Daiei 8½% Conv. Bds. due 1995	100	......
#	F.P.	4/9	103½	101⅞	Folkestone & District Water 10pc Pref '85	103½	......
**	F.P.	—	68	63½	London & Midland Inds 8½ pc Deb. '89-94	68	......
#	F.P.	4/9	103	101⅞	North Surrey Water 10pc Pref. 1985	103	......
**	F.P.	—	102	101	Outwich 10% Pref.	101	......
#	£10	8/8	13¾	11½	South Staff. Water 9½% Rd. Pf. '85	13¾	......
#	£10	29/8	13¼	13¼	Sunderld & S.Shields Wtr 9½% Rd. Prf. 1985	13½	......

"RIGHTS" OFFERS

Issue Price p:	Am'unt Paid Up	Latest Renunc. Date ●	Latest Renunc. Date ◼	1980 High	1980 Low	Stock	Closing price p:	+ or −
65	Nil	—	—	30pm	25pm	Anderson Strathclyde	30pm	......
103	F.P.	14/7	15/8	127	117	Astbury & Madeley	121	......
132	Nil	23/7	8/9	30pm	14pm	Berisford (S. & W.)	29pm	+1
115	F.P.	4/7	1/8	144	124	Brown & Jackson	140	......
100	F.P.	3/7	7/8	152	112	Carless Capel	136	+8
55	Nil	22/7	15/8	20pm	10pm	Charterhall	11pm	+1
34	Nil	1/8	29/8	18pm	16pm	Clive Discount	16pm	......
92	Nil	30/7	12/9	42pm	31pm	Coalite	39pm	+2
50	Nil	25/7	22/8	41pm	35pm	Crest, Nicholson	37pm	+2
630	F.P.	15/7	5/8	712	645	Harrison & Crosfield	712	+67
76	Nil	30/7	20/8	20pm	11pm	Hazelwood Foods	19pm	......
265	F.P.	1/7	15/8	365	307	Land Securities	365	+9
126	Nil	—	8/8	165pm	127pm	Lloyds & Scottish	163pm	......
52	Nil	28/7	26/8	6½pm	3pm	Mallinson-Denny	6½pm	......
60cts	Nil	—	—	435pm	190pm	Pancontinental	320pm	......
98	F.P.	20/6	18/7	152	128	Silvermines	151	+3
12½	Nil	31/7	26/8	1pm	½pm	Thurgar Bardex	1pm	......

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. *pt* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 participating pref. shares and 1 ord. share at R3.50 per unit. ♦ Dealings under special rule.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Murray, Johnstone (Inv. Adviser)
163, Hope St., Glasgow, C2. 041-221 5521
Hope St. Fd. June 30 | US$39.52
Murray Fund June 30 | US$14.79

Sentry Assurance International Ltd.
P.O. Box 1776, Hamilton 5, Bermuda.
Managed Fund | US$4.800 5.2808

Henderson Admin. (Guernsey) Ltd.

Henderson Baring Group

Hill-Samuel & Co. (Guernsey) Ltd.

Hill Samuel Invest. Mgmt. Intnl.

N.V. Interbeheer

International Pacific Inv. Mgmt. Ltd.

Jardine Fleming & Co. Ltd.

Leopold Joseph & Sons (Guernsey)

Kemp-Gee Management Jersey Ltd.

Keyser Ullmann Ltd.

King & Shaxson Mngrs.

Kleinwort Benson Limited

Lazard Brothers & Co. (Jersey) Ltd.

Lloyds Bk. (C.I.) U/T Mgrs.

Lloyds Bank International, Geneva

M & G Group

Management International Ltd.

Midland Bank Trust Corp. (Jersey) Ltd.

Samuel Montagu Ldn. Agents

Nat. Westminster Jersey Fd. Mgrs. Ltd.

Negit S.A.

N.E.L. International Ltd.

Pacific Basin Fund

Phoenix International

Providence Capitol Life Ass. (C.I.)

Quest Fund Mngmnt. (Jersey) Ltd.

RBC Investment Managers Limited

Richmond Life Ass. Ltd.

Rothschild Asset Management (C.I.)

Rothschild Asset Mgt. (Bermuda)

Save & Prosper International

Schroder Life Group

J. Henry Schroder Wagg & Co. Ltd.

Singer & Friedlander Ldn. Agents

Standard Chartered Intl. Bd. Fd.

Strongbold Management Limited

Surinvest (Jersey) Ltd.

Surinvest Trust Managers Ltd.

TSB Unit Trust Managers (C.I.) Ltd.

TSB Gilt Fund Managers (C.I.) Ltd.

Tokyo Pacific Holdings N.V.

Tokyo Pacific Hldgs. (Seaboard) N.V.

Tyndall Group

Unilife Assurance (Overseas) Ltd.

Union-Investment-Gesellschaft mbH

Utd. Intnl. Mngmnt. (C.I.) Ltd.

Van Cutsem & Associates Ltd.

S. G. Warburg & Co. Ltd.

Warburg Invest. Mngt. Jrsy. Ltd.

Wardley Investment Services Ltd.

World Wide Growth Management

Wren Commodity Trust

NOTES

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FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Ltd. (a) (b)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd.♥ (a)(c)

Barclays Unicorn Ltd.♥ (a)(c)(g)

Baring Brothers & Co. Ltd.♥ (a)(x)

Bishopsgate Progressive Mgmt. Co.♥

Bridge Fund Managers (a)(c)

Britannia/Schlesinger

Brown Shipley & Co. Ltd.♥(a)(g)

Canada Life Unit Tst. Mngrs. Ltd.♥

Capel (James) Mngt. Ltd.♥

Carliol Unit Fd. Mgrs. Ltd.♥ (a)(c)

Cent. Board of Fin. of Church of England♥

Charities Official Invest. Fund♥

Chieftain Trust Managers Ltd.♥ (a)(g)

Confederation Funds Mgt. Ltd. (a)

Craigmount Unit Tst. Mgrs. Ltd.

Crescent Unit Tst. Mgrs. Ltd. (a)(g)

Darlington Unit Trust Mngt. Ltd.

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Emson & Dudley Tst. Mngmt. Co. Ltd.

Equity & Law Un. Tr. M.♥ (a)(b)(c)

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd. (a)

Friends' Provdt. Unit Tr. Mgrs.♥

Funds in Court♥

G.T. Unit Managers Ltd.♥

G. & A. Trust (a) (g)

Gartmore Fund Managers♥ (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a)(b)(c)

Hill Samuel Unit Tst. Mgrs.† (a)

Investment Intelligence Ltd.♥ (a)(g)

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers♥

L. & C. Unit Trust Management Ltd.♥

Legal & General Tyndall Fund♥

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd.♥ (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.*

M & G Group (y)(c)(z)

Manulife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.♥ (a)

Minster Fund Managers Ltd.

MLA Unit Trust Mngemnt. Ltd.

Murray Johnstone U.T. Mgmt. (a)

Mutual Unit Trust Managers♥ (a)(g)

National Provident Inv. Mngrs. Ltd.♥

National Westminster♥ (a)

NEL Trust Managers Ltd.♥ (a)(g)

Northgate Unit Trust Managers Ltd. (c)(y)

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt.♥ (a)

Practical Invest. Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.♥

Prudl. Portfolio Mngrs. Ltd.♥ (a)(b)(c)

Quilter Management Co. Ltd.♥

Reliance Unit Mgrs. Ltd.♥

Ridgefield Management Ltd.

Rothschild Asset Management (g)

Rowan Unit Trust Mngt. Ltd.♥ (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

Sebag Fund Management Limited

Save & Prosper Group♥

For Schlesinger Trust see Britannia/Schlesinger

J. Henry Schroder Wagg & Co. Ltd.♥(a)(c)

Scottish Equitable Fnd. Mgrs. Ltd.♥

Security Selection Ltd.

Stewart Unit Tst. Managers Ltd. (a)

Sun Alliance Fund Mangt. Ltd.

Target Tst. Mngrs. Ltd.♥(a)(g)

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers♥

Transatlantic and Gen. Secs. Co. (y)

Tyndall Managers Ltd.(a)(b)(c)

TSB Unit Trusts (y)

Ulster Bank♥ (a)

Unit Trust Account & Mgmt. Ltd.

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.♥

Barclays Life Assur. Co. Ltd.

Beehive Life Assur. Co. Ltd.♥

Canada Life Assurance Co.

Cannon Assurance Ltd.♥

Capital Life Assurance♥

Coniston House, Chapel Ash W'ton. 0902 28511

Key Invest. Fd.	110.93		....	—
Pacemaker Inv. Fd	87.09		....	—

Charterhouse Magna Gp.♥

Stephenson Hse., Brunel Centre, Bletchley, Milton Keynes. 0908 641272

Chrthse Energy	58 3		....	—
Magna Bld. Soc.	156.5		....	—
Magna Managed	169 9		....	—

Chieftain Assurance Funds

11 New Street, EC2M 4TP. 01-283 3933

Managed Growth	153.72	161.81	-1.66	2.03
Managed Income	88 45	93 11	+0.36	—
International (z)	100.51	105.80	-0.27	—
High Income	88.89	93.56	+0.24	—
Income & Growth	84.56	89 02	+0.68	—
Basic Resources	160.55	169.00	-1.43	—
American (z)	107.65	113.32	..	—
Far Eastern (z)	101.73	107.09	-0.76	—
Cash	101.73	107.90	....	—

City of Westminster Assurance

Ringstead House, 6, Whitehorse Road Croydon CR0 2JA. 01-684 9664

	Series (2)			(1) Bid
West Prop. Fund	86 9	91.5	.....	82 8
Managed Fund	208.9	219 9	.....	205.0
Equity Fund	64 1	67.5	+0.5	63.0
Farmland Fund	90 4	95 2	.....	86 2
Money Fund	144 1	151.7	..	144.2
Gilt Fund	82.6	87.0	+0.7	82.7
Black Gold Fd.	107.9	113.6	+1.3	107.9
PULA Fund	214.6	213.5	.....	214.6
Soc. Prop. Units	74.0	77.7	.....	74.0
Pens. Grd. Capital	147.5		.....	147.5
Pens. Grd. Accum.	171.4		.....	171.4
Pens. Mngd. Cap	146.4		.....	151.8
Pens. Mngd. Acc.	166.1		.....	166.1
Pens. Money Cap.	54.4		.....	56.4
Pens. Money Acc.	61 7		.....	61.7
Pens. Equity Cap.	53.2		+0 5	54.2
Pens. Equity Acc.	60 4		+0 7	59 3
Pens. Gilt Short Cap	50 2		+0 4	52.7
Pens. Gilt Short Acc.	56 9		+0.1	56.9
Pens. Gilt Med. Cap.	52 5		+0.7	54.5
Pens. Gilt Med. Acc.	59 6		+0.8	59.6

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life

Crusader Insurance Co. Ltd.

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.♥

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

Gartmore Bonds

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.♥

Gresham Life Ass. Soc. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.♥

Guardian Royal Exchange

Hambro Life Assurance Limited♥

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.♥

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.♥

M & G Group♥

Manufacturers Life Insurance Co.

Merchant Investors Assurance♥

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.♥

Norwich Union Insurance Group♥

Phoenix Assurance Co. Ltd.

Planned Savings Group

Prop. Equity & Life Ass. Co.♥

Property Growth Assur. Co. Ltd.♥

Providence Capital Life Ass. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited♥

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group♥

Schroder Life Group♥

Scottish Widows' Group

Skandia Life Assurance Co. Ltd.

Solar Life Assurance Limited

Standard Life Assurance Company♥

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.♥

Tyndall Assurance/Pensions(a)(b)(c)

Vanbrugh Life Assurance♥

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.♥

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Alliance International Dollar Reserves

Arbuthnot Securities (C.I.) Limited

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bishopsgate Progressive—Ldn. Agents

Bridge Management Ltd.

Britannia/Schlesinger

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capital International S.A.

Charterhouse Japhet

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

Craigmount Fixed Int. Mngrs. (Jersey)

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Eurobond Holdings N.V.

F & C Mgmt. Ltd. Inv. Advisers

Fidelity Management & Research

First Viking Commodity Trusts

Fleming Japan Fund S.A.

Frankfurt Trust Investment-GmbH

Free World Fund Ltd.

G.T. Management Ltd.

Gartmore Invest. Ltd. Ldn. Agts.

Guinness Mahon Fd. Mgrs. (Guernsey)

Hambro Pacific Fund Mgmt. Ltd.

Hambros Fd. Mgrs. (C.I.) Ltd.

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

90½	82¾	Aust. 5½pc '81-82	90¼	+¼	6.21	13.08
83½	72½	Do. 6pc 1981-83	83½	+1	7.24	12.37
65¾	53	N.Z. 7¼pc 1988-92	65¾	+½	11.16	13.13
79¾	72	Do. 7½pc '83-86	79¾	+¼	9.48	12.59
96¾	88	Sth. Africa 9½pc '79-81	95¼	+½	10.07	14.37
160	107	Sth. Rhod. 2½pc '65-70	155#		—	—
169	135	Do. 6pc '78-81	167#		—	—

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Contd.

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

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Components

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SHOES AND LEATHER

OVERSEAS TRADERS

Tins

Copper

Miscellaneous

1980 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
180	78½	Anglo-Dominion	135	......	—	—	—
97	52	Barymin	55	−1	—	—	—
17	12	Burma Mines 10p	14½	......	0.62	1.1	6.2
502	300	Cons. Murch. 10c.	300	−10	hQ100c	1.8	19.1
180	106	††Hemerdon 10c.	106	......	—	—	—
585	325	Northgate C$1	380	−20	—	—	—
485	327	R.T.Z.	450	+9	15.0	3.2	4.7
33	16	Robert Mines	27	......	—	—	—
58	26	Sabina Inds. C$1.	29½	−½	—	—	—
51	43	††SWCM 10p	46	−1	—	—	—
650	411	Tara Exptn. $1	485	−2	—	—	—

RUBBERS AND SISALS

SOUTH AFRICANS

TEXTILES

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

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PROPERTY

INSURANCE

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ‡ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✠ Regional price.
- ǁ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	32	......	**IRISH**		
Bertam	16	......	Conv. 9% '80/82	£92	+¼
Bdg'wtr. Est. 50p	440	+5	Nat. 9¾% 84/89	£80⅝	+⅛
Clover Croft	60	......	Fin. 13% 97/02	£96¼	+1½
Craig & Rose £1	£10½	......	Alliance Gas	48	......
Fife Forge	32½	......	Arnott	187½xd	......
Finlay Pkg. 5p	18	......	Carroll (P.J.)	60	......
Graig Ship. £1	£12½	−½	Clondalkin	125	......
Higsons Brew	77	......	Concrete Prods.	70	......
Holt (Jos) 25p	250	......	Heiton (Hldgs.)	32	......
I.O.M. Stm. £1	192	......	Ins. Corp.	250	......
Pearce (C. H.)	455	......	Irish Ropes	45	......
Peel Mills	43	......	Jacob	30	−2
Sheff. Refrshmt	102½	......	T.M.G.	87	......
Sindall (Wm.)	143	......	Unidare	80	......

OPTIONS

3-month Call Rates

Industrials		I.C.I.	27	Utd. Drapery	6½
A. Brew	7	"Imps"	6½	Vickers	12
BOC Intl.	6	I.C.L.	34	Woolworths	5½
B.S.R.	4½	Inveresk	4		
Babcock	8	Ladbroke	15	**Property**	
Barclays Bank	34	Legal & Gen.	15	Brit. Land	7
Beecham	18	Lex Service	8	Cap. Counties	9
Blue Circle	25	Lloyds Bank	24	Land Secs.	24
Boots	16	"Lofs"	3½	MEPC	17
Bowaters	15	London Brick	6	Peachey	13
B.A.T.	20	Lucas Inds.	17	Samuel Props.	12
Brown (J.)	6	"Mams"	14	Town & City	2
Burton 'A'	10	Mrks. & Spncr	8		
Cadburys	5½	Midland Bank	26	**Oils**	
Courtaulds	8	N.E.I.	5	Brit. Petroleum	32
Debenhams	8	Nat. West. Bank	27	Burmah Oil	20
Distillers	17	P & O Dfd.	10	Charterhall	10
Dunlop	7½	Plessey	14	KCA	11
Eagle Star	15	Racal Elect.	22	Premier	13
F.N.F.C.	2¼	R.H.M.	6½	Shell	35
Gen. Accident	21	Rank Org.	15	Tricentrol	40
Gen. Electric	30	Reed Intnl.	16	Ultramar	35
Glaxo	10	Sears	5		
Grand Met.	12	Tesco	6	**Mines**	
G.U.S. 'A'	34	Thorn	23	Charter Cons.	14
Guardian	23	Trust Houses	12	Cons. Gold	40
G.K.N.	20	Tube Invest.	23	Lonrho	8
Hawker Sidd	15	Unilever	40	Rio T. Zinc	35
House of Fraser	15	U.D.T.	5½		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 36

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FINANCIAL TIMES
Thursday July 17 1980

Iran makes bid to avoid sanctions

BY SIMON HENDERSON

IRAN IS buying spare parts for its oil industry worth $150m (£63.3m) a year through a London-based purchasing organisation, despite U.S. economic sanctions intended to force it to release the Tehran hostages.

Curiously, the non-profit making organisation, Iranian Oil Services (IROS), is still legally owned by the consortium of Western oil companies, including 11 U.S. companies, which produced most of Iran's oil before last year's revolution.

In theory, its operations do not infringe U.S. sanctions. The British legislation allows supply contracts to be extended, and one of the U.S. companies said yesterday that as minority shareholders they could only ensure that no U.S equipment was supplied.

At present British Petroleum has 40 per cent of IROS, Royal Dutch-Shell 14 per cent and Companie Francaise des Petroles 6 per cent. Of the U.S. companies, Exxon, Gulf, Mobil, Socal and Texaco each has 7 per cent, and the remaining 5 per cent is shared between Atlantic Richfield, American Independent, Getty, Charter, Conoco and Standard Oil of Ohio.

The fact that Iran still depends on the consortium to provide spare parts for its vital oil industry is clearly an embarrassment to the revolutionary authorities. Talks were attempted a year ago to sort out its ownership but failed, apparently because nobody in Tehran was prepared to take the necessary decision.

On the U.S. companies' side, the continuing legal relationship is also probably embarrassing in the light of sanctions but worth continuing as a bargaining lever for outstanding claims against Iran, which nationalised the Western-owned producing arm of the consortium.

Until the seizure of the U.S. embassy in Tehran, U.S.-made goods were estimated to form only 25 per cent of IROS sales. In most cases these can be obtained from other suppliers. British companies meet an estimated 35 per cent of the orders and Japan 15 per cent, while most of the remainder are met by other West European countries.

IROS's role means present assumptions about the state of Iran's oil industry may need to be revised. Industry experts say there is no particular shortage of spares, and that present Iranian production of 1.5m barrels a day could easily be doubled.

Instead, low production is blamed on Iranian pricing policy which, at an effective level of $35 a barrel since April, still makes Iran's oil more expensive than comparable crudes.

A role for the Soviet Union as a supplier of spare parts or experts is also discounted. It is thought the Iranians first explored the possibility this year, before the scope of the EEC sanctions then proposed against Iran was clear.

Despite continuing sabotage of pipelines, blamed on Iraqi-backed local Arab separatists, IROS has not been asked to supply pipe. It is assumed there are still adequate stocks in Iran, or that the major pipe mill at Ahwaz can produce what is required.

Industry experts consider the National Iranian Oil Corporation capable of running production and maintenance operations, areas which have long been staffed by Iranians.

Fisons and Boots plan link-up

BY SUE CAMERON, CHEMICALS CORRESPONDENT

FISONS AND BOOTS plan to merge their agrochemical businesses into a joint-venture company. The new company—as yet unnamed—is expected to have annual sales of at least £125m, which would make it the dominant UK producer of herbicides and pesticides.

Fisons and Boots, both household names, hope to set up the new company by October. It will be a 50-50 venture but Fisons will initially contribute a bigger business than Boots. The main objective is to provide a sounder financial base to support the large research expenditure needed for success in the market.

The new company would be the world's 15th largest producer of herbicides and pesticides.

Neither company would disclose details of the financial arrangements last night but it is estimated that Boots will contribute more than £10m. Part of this is expected to be paid directly to Fisons, and part will be used to fund the new venture.

Last year Fison's agrochemicals division had sales of £77.963m and pre-tax profits of £2.685m. Boots refuses to break down the sales and profits of its various divisions but it is thought the agrochemicals sector had a turnover of just under £50m last year and pre-tax profis of around £1.5m.

Fisons' agrochemicals sector employs 1,800 people—1,300 of them in the UK—and Boots' around 850.

The two companies yesterday acknowledged "some problems" with their individual agrochemicals operations at present. Neither was big enough to fund research and development on the scale necessary to expand and make healthy returns.

They said the agrochemical industry had "attractive" growth prospects, notably in the Third World, but individually their cost structures were "becoming more and more crtical." Together they could afford stronger and more comprehensive research and more aggressive international marketing.

Another reason for the joint venture is the complementary nature of their current agrochemical product ranges. Fisons is strong in herbicides, although it is also developing some insecticides. Boots is already well established in insecticides but weaker in herbicides.

Birmid plans closure as foundries hit trouble

By Arthur Smith, Midlands Correspondent

BIRMID QUALCAST announced the planned closure of a foundry in Smethwick yesterday with the loss of 500 jobs. Up to 50,000 workers in the ferrous foundry industry are now on short time as the recession in manufacturing continues to bite.

Mr. Derek Farrant, director of the Council of Ironfoundry Associations, said last night: "The industry is very nearly at crisis point. I cannot remember such a volume of redundancies, short-time working and ever-shortening order books."

The fall in demand, which had started with the automotive industry, had now become more general, he said.

Birmid blamed the severe cutback in demand from the tractor industry for its decision to shut the Dartmouth Auto Castings number two foundry.

The latest redundancies will bring the number of jobs shed at Birmid's foundries to more than 1,760 jobs in the past twelve months. Three company foundries have already been shut, largely because of the fall in demand from the motor industry.

Birmid also confirmed yesterday that the Birmetals factory in Birmingham was to be closed and the 900 workers dismissed.

The company, which has suffered losses for several years, had been hit by a long-running industrial dispute. Birmetals makes a wide variety of wrought aluminium products.

Foundries suffer as demand dips, Page 7

Continued from Page 1

Defence

for in the cash limits but also higher than the general rate of price inflation.

The tight squeeze on spending last year may also have resulted in a switch of the usual March bunching of spending into April.

A Treasury paper published yesterday shows that central Government spending in 1979-80 was £311m, or 0.9 per cent, below the cash limit ceilings. This compares with total underspending of £450m, or 1.5 per cent, in 1978-79.

Within this total, overspending by a few departments in 1979-80 was similar to the previous year at £85m. But the number of individual cash limits involved rose from four to 12.

As previously announced defence and various Scottish programmes were slightly in breach of cash limits. In addition, minor breaches have also appeared on, amongst other items, industrial support, scientific and technical assistance, royal palaces and parks, the stationery office, Civil Service catering and roads in England.

Bonn welcomes Trident decision

BY ROGER BOYES IN BONN

THE West German Government yesterday welcomed Britain's decision to buy the U.S. Trident submarine-launched missile system and said the acquisition would help to restore the military balance in Europe.

The British move—aimed at replacing the Polaris and thus modernising the country's independent nuclear deterrent—was discussed at some length by the Bonn Cabinet. All the key German Ministers present were said to be agreed about the merits of the Trident.

The decision, which follows Chancellor Helmut Schmidt's visit to Moscow, comes at a time when West Germany is anxious to demonstrate that it is not softening its adherence to the NATO alliance.

West German leaders stressed this earlier this week in Bonn to Mr. Warren Christopher, the U.S. Deputy Secretary of State. Yesterday the Chancellor urged the smaller NATO allies to *stick to their commitment to* modernise nuclear forces in Europe.

The Chancellor also welcomed France's decision recently to modernise its nuclear forces and to develop the neutron weapon.

West German officials feel that the deployment of a new generation of weapons in Western Europe may eventually lead to closer collaboration on defence issues between the U.S., Britain, France and West Germany.

Reuter reports from Moscow: The Soviet new agency Tass yesterday described the U.S. decision to sell Trident missiles to Britain as a blow against peace that would step up the nuclear arms race.

*In a despatch from Washing*ton the agency said the deal formed part of a drive by the Carter Administration and its West European allies to strengthen NATO's military might.

The decision, it said, "will result only in the further intensification of the nuclear arms race in Europe and strike a blow at military detente which is a necessary conditions for ensuring peace on the European continent."

Insurance company 'falters'

BY TIM DICKSON

ABOUT 1,000 UK policy holders could be affected by an actuary's report showing that the UK business of Underwriters National Assurance Company is in difficulties.

The report shows that fund liabilities attributable to the company's UK business exceeded assets at the end of last year. The Department of Trade has the report and is writing to policy holders concerned.

Underwriters' National Assurance, registered in Indianapolis, has been instructed by a U.S. court to get a second opinion.

If insolvency is confirmed it has been ordered to seek a legally enforceable scheme of arrangement with policyholders or wind up the company's UK business.

Underwriters' National Assurance specialises in non-cancellable accident and health policies for air crews. Following financial difficulties in the U.S. in 1973 and 1974 it has been prevented by the Department of Trade from taking business in the UK since 1974. Before that, some 950 individuals are thought to have taken out policies.

One feature of its business is a "return of premium rider," a no claims bonus which gives policyholders a rebate after ten years if less than a certain amount has been paid out in their name.

Continued from Page 1

U.S. output

The mid-year review is not expected to contain any immediate plan for a general tax cut, because President Jimmy Carter clearly wants more time to consider how taxes might be reduced

The Administration has also claimed that recently declining *interest rates and the modera*tion in inflation will naturally stimulate an upturn in the economy.

The June fall in industrial output follows a similar 2.4 per cent drop in May, and a 2.2 per cent decline in April.

Because of the improvement in the car sector last month, output of consumer durable goods, which include cars, dropped only 0.9 per cent in June, compared to declines of more than 5 per cent in the two *previous months.*

UK ready for Norway gas stake

BY MARTIN DICKSON, ENERGY CORRESPONDENT

BRITAIN would be happy to see a Norwegian equity stake in its proposed North Sea gas-gathering pipeline network if Norway decides to use the pipeline for the transport of its gas from the large Statfjord field.

This was made clear at a news conference yesterday by Mr. David Howell, the Energy Secretary, after a meeting in London with Mr. Bjartmar Gjerde, his Norwegian counterpart.

The British Government has given the go-ahead for the construction of a £1.1bn gas-gathering pipeline network for the UK sector of the North Sea, which it wants to see completed by 1984 or 1985. A pipeline company, in which British Gas will have a 30 per cent stake, is to be established to build and operate the line.

The Government hopes that Norway will commit gas to the pipeline from the Anglo-*Norwegian Statfjord field*

Mr. Howell said that the option remained open of Britain taking its shart of Statfjord gas into the UK pipeline. He added that no details of a possible equity participation had yet been discussed with Norway.

Mr. Gjerde said Norway was still examining three options for Statfjord gas: piping it to the continent via a Norwegian network; piping it to Norway to help to establish a local petrochemicals industry; or piping the gas to Britain.

DEBATE ON CONSTITUTION TO CONTINUE

Hopes for Labour unity diminish

BY ELINOR GOODMAN, LOBBY STAFF

LABOUR PARTY leaders' hopes that this year's conference would bring an end to the in-fighting over its constitution received a major setback yesterday.

The party's national executive voted against the idea of re-imposing the ban on raising constitutional issues at conference more than once every three years.

This means that whichever side loses at this year's conference is almost certain to try to raise the issue again at the 1981 conference. A a result, the party could be preoccupied for another year with its own bitter *internal battles instead of con*centrating on fighting the Conservatives, as Mr. Callaghan wants.

Mr. Callaghan's camp is fairly confident of defeating the Left this year on the key issues of the reselection of existing MPs and who should elect the party leader and write the manifesto.

But, given the nature of Labour's conference, they could *not be sure of sustaining that* victory if the Left insisted on raising these issues again next year.

Yesterday's meeting of the executive was the first of two crucial meetings to discuss the NEC's position on the issues which will dominate this year's conference.

The decision on the three-year rule was a victory for Mr. Anthony Wedgwood Benn, who moved the motion, and other left-wingers. But there were *increasing signs yesterday that* the Left is split over the composition of the proposed new electoral college to elect the party leader.

This could make it easier for Mr. Callaghan to gain support on the executive for the idea of leaving the rules as they are, and so preserving the exclusive right of Labour MPs to elect the leader.

The Left will be discussing its strategy over the next few days, and it may be that, in the event, those left-wingers with reservations about the form of electoral college proposed at an executive sub-committee meeting last week may swallow their doubts—on the grounds that the most important thing is to get the principle of an electoral college accepted.

Yesterday's meeting was held specifically to discuss the recommendations of the party's *Commission of Inquiry. As the* Commission finally gave up the idea of making any recommendations on the main constitutional issues two weeks ago, most of the discussion concentrated on the less divisive issues of organisation and finance.

It was agreed that the conference should be asked to approve a big increase in both union affiliation fees and *individual subscriptions.*

The question of the three-year rule arose out of one of the Commission's recommendations on conference procedures. Both Mr Callaghan and his deputy, Mr Michael Foot, argued strongly for the reinstatement of the rule, which was lifted last year. But they lost by 11 votes to eight.

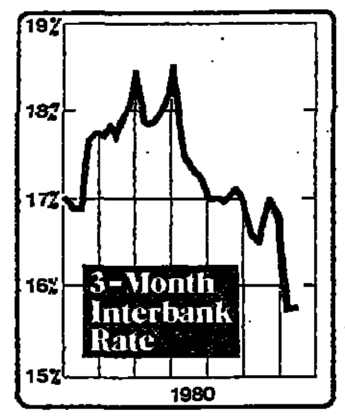
The Commission's report will therefore go to conference with the recommendation from the executive that they reject this clause. As only the executive can bring forward at conference the amendment to the constitution necessary to reimpose the rule, there is now no chance of it being changed back again this year. Even so, the debate may show how tired some of the unions are with the wrangling over constitutional issues.

THE LEX COLUMN

Fisons finds an agropartner

Even though it is hard to find anyone who really has a use for a seven-year gilt-edged stock, yesterday the medium tap Treasury 12 per cent 1987 duly went the way of its many predecessors this year. It was a sign of the strength in depth of the market that it was resilient enough to come back and finish *the stock off in a second bite* around mid-morning. Meanwhile equities moved up through the 50 level on the FT 30-Share Index, and after 14½ months the All-Share Index surpassed the all-time high with which it celebrated the Conservative election victory last year.

Index rose 3.3 to 503.1



Fisons/Boots

While the All-Share Index was hitting a new high point yesterday, the Fisons share price was struggling around its year's low. The abrupt departure of the chief executive last month concentrated City minds on the company's trading difficulties, and profit forecasts have since been cut back sharply: the question now is not how much Fisons will recover from last year's £17.3m pre-tax, but whether it can avoid a decline.

Now the company has announced plans to pool its agrochemical interests with Boots' smaller similar division in a 50/50 joint venture. As the larger contributor, Fisons will receive some welcome cash from Boots, which will also inject some funds into the new company—Boots' overall expenditure seems likely to be a fair bit over £10m.

The cost savings from this venture should benefit both parties, and sheer size must be an advantage in what is now an open world market. Fisons is able to shift some of the burden *of capital and R and D spending* which is building up in a division that is still earning low returns. With luck, too, the joint venture may be able to borrow in its own name and fund itself before long.

So the deal promises some relief to Fisons' balance sheet at a time when cash flow projections must be falling well below long-range budget. It may be seen as a realistic acceptance of a medium-sized *group's limitations in funding* research-based activities, or just as a sign of financial pressure. Either way, Fisons is giving up control of a significant part of its business.

Gestetner

After the nasty tumble in the second half last year, Gestetner has managed to produce a more presentable set of figures at the interim stage, with pre-tax profits down only 13 per cent at £9.9m. Volumes have been generally maintained, although pricing constraints have hit UK margins. A squeeze on volume now seems to be developing, however, while the pound is moving further ahead and there is a seasonal downturn in mainland Europe. Full-year profits are likely to emerge in the region of £16m, against £19.1m.

The company's need to adjust to the long-term market switch from duplicators to photocopiers has now reached a critical stage. The new copiers, out next year, seem unlikely to be technological market leaders. Meanwhile, Gestetner has continued to shrink in real terms this half, judging by its current cost losses, albeit at a slower pace than in the previous six months. Capital expenditure of around £10m is not running at *anything like the levels of the* predominantly Japanese competition.

With net debt of about 20 per cent of capital employed, the balance-sheet remains healthy, although less so than in the past. If the company wants to use its financial strength to buy into the new technology, it cannot afford to wait long. The share price, down from 125p a year ago, rose 4p yesterday to 73p, to produce a yield of 9¼ *per cent and a prospective p/e* of about 5½, fully taxed, levels which reflect the scepticism of the market.

Union Discount

Union Discount, the first of the discount houses to report at the interim stage, has clearly had a comforable first half for 1980. Commercial bills generally offered a yield above Minimum Lending Rate, and there have been rewarding excursions—no more than that in Union's case—into fixed-rate gilt-edged, while variables performed well.

The only actual number that emerges is the dividend, raised by more than 40 per cent to 9p. Ostensibly, this is to reduce disparity between the interim and final dividends, but Union is expecting a sudden downward dip in interest rates, which should make the second half more profitable than the first.

Although Union has carried the maximum permissible book throughout this year, it has not yet (leaving aside gilt-edged) lengthened it by very much. It is, however, gradually taking on more certificates of deposit which have begun, since the abolition of the corset, to be issued in place of bills. As eligible bills—but not CDs—can be rediscounted at the Bank of England, this is a development that Union hopes will not go too far.

Marsh & McLennan

News of a 10 per cent rise in second quarter earnings per share of Marsh and McLennan will not entirely mollify those small UK shareholders who are worried about the marketability of Marsh shares received in exchange for Bowring equity. In many cases they hold only a very small number of the heavyweight shares, which currently trade at £27⅞, and apparently their attempts to sell odd lots—in U.S. terms a round lot is 100 shares—have not always met with a positive response from banks and brokers.

Originally Marsh's UK merchant bankers, Warburg, hoped to get round this problem by setting up a parallel London market in Bearer Depositary Receipts which would be equivalent to a tenth of a Marsh share. Unfortunately the Inland Revenue is proving to be an obstacle. The exchange of Marsh shares for BDRs would not fall clearly within the structure of rules for the takeover of a company by exchange of paper, and so there is a tiny legal risk that a switch into BDRs would constitute a disposal for the purposes of capital gains tax.

This is an awkward setback for Warburg's plan to establish a viable London market in Marsh's shares, and UK shareholders are to receive some reassurances in a letter being sent out with the interim report. They are to be told that it is, in fact, possible to sell small numbers of units, and if there are any difficulties two firms of brokers, de Zoete and Cazenove, are ready to help.

Weather

UK TODAY

MAINLY DRY with sunny intervals, but rain at times later. Rather cool generally.

London, Southern England, The Midlands, Channel Isles, Northern England

Mainly dry with sunny intrevals, but becoming mostly cloudy with rain at times. Max 18C (64F).

Wales, S. W. England, Lakes, N. W. England

After a dry start, mostly cloudy with outbreaks of rain or drizzle and hill fog. Max. 17C (63F).

West Scotland, Ulster

Cloudy with rain clearing followed by showers and fresh, locally strong winds. Max 16C (61F).

Outlook: Cool and changeable with showers or longer periods of rain.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	25	77	Locarno	C	19	66
Algiers	C	29	84	London	C	17	63
Amsdm.	C	14	57	Luxmbg.	C	12	54
Athens	S	35	95	Luxor	S	39	102
Bahrein	S	40	104	Madrid	F	25	77
Barclna.	R	22	72	Majorca	C	23	73
Beirut	C	29	84	Malaga	S	33	91
Belfast	C	15	59	Malta	S	28	82
Belgrd.	S	31	88	M'chstr.	C	14	57
Berlin	C	17	63	Melbne	F	17	63
Biarritz	F	18	64	Mex. C.	S	21	70
Bmghm	F	16	61	Milan	R	21	70
Blackpl.	S	15	59	Montreal	C	22	72
Bordx	[illegible]	19	66	Moscow	C	21	70
Boulgn.	F	15	59	Munich	R	13	55
Bristol	F	16	61	Nairobi	S	23	74
Brussels	F	15	59	Naples	S	29	84
Budpst	S	27	81	Nwcstl.	F	14	57
B. Aires	C	17	63	N. York	S	30	86
Cairo	S	36	97	Nice	F	22	72
Cardiff	F	17	63	Nicosia	S	29	84
Cas'b'ca	C	22	72	Oporto	S	22	72
Cape T.	S	17	63	Oslo	S	21	70
Chicago	S	25	77	Paris	C	15	59
Cologne	C	14	57	Perth	S	15	59
Cpnhgn.	R	15	59	Prague	C	17	63
Corfu	S	32	90	Reykjvk.	R	11	52
Dublin	C	15	59	Rhodes	S	27	81
Dbrvnk.	S	27	81	Rio J'o	S	20	68
Ednbgh.	C	16	61	Rome	S	28	82
Faro	S	26	79	Salzbrg.	R	16	61
Florence	C	25	77	Singapr.	R	29	84
Frankfrt	C	15	59	Stckhm	C	19	66
Funchal	S	22	72	Strasbg.	F	18	64
Geneva	C	17	63	Sydney	S	19	66
Gibrltr	S	25	77	Tangier	C	23	73
Glasgow	C	13	55	Tehran	S	30	86
G'rnsey	F	16	61	Tel Aviv	F	28	82
Helsinki	S	21	70	Tenerife	S	27	81
H. Kong	S	31	88	Tokyo	C	23	73
Innsbrk	C	15	59	Toronto	S	25	77
Invrnss	S	27	81	Tunis	S	35	95
I. o Man	F	13	55	Valencia	C	25	77
Istanbul	S	27	81	Venice	C	21	70
Jersey	F	17	63	Vienna	R	17	63
Jo'burg	C	14	57	Warsaw	C	29	84
L. Plms.	S	23	73	Zurich	C	16	61
Lisbon	S	23	73				

C—Cloudy. F—Fair. R—Rain. S—Sunny

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